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83^D CONGRESS
2^D SESSION

S. 2728

IN THE SENATE OF THE UNITED STATES

JANUARY 18 (legislative day, JANUARY 7), 1954

Mr. CARLSON introduced the following bill; which was read twice and referred to the Committee on Post Office and Civil Service

A BILL

To authorize the collection of indebtedness of military and civilian personnel resulting from erroneous payments, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That, when it is determined by the Secretary of the depart-
4 ment concerned or the head of the agency or independent
5 establishment concerned, or one of their designees, that
6 an employee of the United States or any member of the
7 Army, Navy, Air Force, Marine Corps, or Coast Guard, or a
8 reserve component thereof, is indebted to the United States
9 as the result of any erroneous payment made by the depart-
10 ment, agency, or independent establishment concerned to or

1 on behalf of any such person, the amount of the indebtedness
2 may be collected in monthly installments, or at officially
3 established regular pay period intervals, by deduction in
4 reasonable amounts from the current pay account of such per-
5 son. The deductions may be made only from basic compen-
6 sation, basic pay, special pay, and incentive pay, retired pay,
7 retainer pay, or in the case of persons not entitled to basic
8 pay, other authorized pay. Collection shall be effected over
9 a period not greater than the anticipated period of active
10 duty or period of employment, as the case may be. If such
11 individual retires, resigns, or his employment or period of
12 active duty is otherwise terminated before such adjustment
13 has been completed, adjustment shall be made by decreasing
14 subsequent payments, of whatever nature, due such person
15 by the department, agency, or independent establishment
16 concerned. Nothing in this section shall modify any existing
17 law which provides for forfeiture of pay or allowances.

18 SEC. 2. Each Secretary of a department, or head of an
19 agency or independent establishment, as appropriate, shall
20 prescribe regulations to carry out the purposes of this Act.
21 Such regulations shall be approved by the Secretary of the
22 Treasury. Regulations prescribed by the Secretaries of the
23 Army, Navy, and Air Force shall be uniform for the mili-
24 tary services insofar as practicable.

25 SEC. 3. (a) In accordance with settlement procedures

1 prescribed by the Comptroller General of the United States,
2 the Secretary of the department concerned or the head of
3 the agency or independent establishment concerned is au-
4 thorized to charge the net amount of the unpaid and overpaid
5 balances occurring in individual pay accounts against the
6 appropriation for the fiscal year in which the balances oc-
7 curred, and from which the amount was payable, and the
8 net amount shall be credited to and paid from the cor-
9 responding appropriation for the next succeeding fiscal year.

10 (b) The Act of February 9, 1946 (ch. 2, 60 Stat. 3)
11 is repealed.

12 SEC. 4. Nothing contained in this Act shall be con-
13 strued as repealing, amending, or modifying in any way
14 the provisions of the Act of May 22, 1928 (ch. 676, 45
15 Stat. 698).

A BILL

To authorize the collection of indebtedness of military and civilian personnel resulting from erroneous payments, and for other purposes.

By Mr. CARLSON

JANUARY 18 (legislative day, JANUARY 7), 1954
Read twice and referred to the Committee on Post
Office and Civil Service

83D CONGRESS
2D SESSION

H. R. 7477

IN THE HOUSE OF REPRESENTATIVES

JANUARY 25, 1954

Mr. HOFFMAN of Michigan (by request) introduced the following bill; which was referred to the Committee on Government Operations

A BILL

To authorize the collection of indebtedness of military and civilian personnel resulting from erroneous payments, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That, when it is determined by the Secretary of the De-
4 partment concerned or the head of the agency or independent
5 establishment concerned, or one of their designees, that an
6 employee of the United States or any member of the Army,
7 Navy, Air Force, Marine Corps, or Coast Guard, or a
8 Reserve component thereof, is indebted to the United States
9 as the result of any erroneous payment made by the de-
10 partment, agency, or independent establishment concerned

1 to or on behalf of any such person, the amount of the
2 indebtedness may be collected in monthly installments, or at
3 officially established regular pay period intervals, by de-
4 duction in reasonable amounts from the current pay account
5 of such person. The deductions may be made only from
6 basic compensation, basic pay, special pay, and incentive
7 pay, retired pay, retainer pay, or in the case of persons not
8 entitled to basic pay, other authorized pay. Collection shall
9 be effected over a period not greater than the anticipated
10 period of active duty or period of employment, as the case
11 may be. If such individual retires, resigns, or his employ-
12 ment or period of active duty is otherwise terminated before
13 such adjustment has been completed, adjustment shall be
14 made by decreasing subsequent payments, of whatever
15 nature, due such person by the department, agency or
16 independent establishment concerned. Nothing in this sec-
17 tion shall modify any existing law which provides for for-
18 feiture of pay or allowances.

19 SEC. 2. Each Secretary of a Department, or head of an
20 agency or independent establishment, as appropriate, shall
21 prescribe regulations to carry out the purposes of this Act.
22 Such regulations shall be approved by the Secretary of the
23 Treasury. Regulations prescribed by the Secretaries of the
24 Army, Navy and Air Force shall be uniform for the military
25 services insofar as practicable.

1 SEC. 3. (a) In accordance with settlement procedures
2 prescribed by the Comptroller General of the United States,
3 the Secretary of the Department concerned or the head of the
4 agency or independent establishment concerned is authorized
5 to charge the net amount of the unpaid and overpaid balances
6 occurring in individual pay accounts against the appropria-
7 tion for the fiscal year in which the balances occurred, and
8 from which the amount was payable, and the net amount
9 shall be credited to and paid from the corresponding
10 appropriation for the next succeeding fiscal year.

11 (b) The Act of February 9, 1946 (ch. 2, 60 Stat. 3),
12 is repealed.

13 SEC. 4. Nothing contained in this Act shall be con-
14 strued as repealing, amending, or modifying in any way the
15 provisions of the Act of May 22, 1928 (ch. 676, 45
16 Stat. 698).

A BILL

To authorize the collection of indebtedness of military and civilian personnel resulting from erroneous payments, and for other purposes.

By Mr. HOFFMAN of Michigan

JANUARY 25, 1954

Referred to the Committee on Government Operations

AUTHORIZING DEDUCTIONS FROM MILITARY AND
CIVILIAN PAY FOR RECOVERY OF ERRONEOUS
PAYMENTS

FEBRUARY 15 (legislative day, FEBRUARY 8), 1954.—Ordered to be printed

Mr. CARLSON from the Committee on Post Office and Civil Service,
submitted the following

REPORT

[To accompany S. 2728]

The Committee on Post Office and Civil Service, to whom was referred the bill (S. 2728) to authorize the collection of indebtedness of military and civilian personnel resulting from erroneous payments, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

STATEMENT

The purpose of this proposed legislation is to provide authority to the head of a department or agency to withhold from moneys due to employees of the United States, or any member of the Armed Forces or Reserve components thereof, amounts owed the United States as the result of erroneous payment made by a department, agency, or establishment. Such amounts erroneously overpaid would be collected by withholding in installments from the current basic pay account of the individual.

The need for this legislation has been prompted by the procedural delays in recovering erroneous payments made to Government personnel in both the civilian and military service. Especially is this true in the military forces where pay and allowances are a highly technical subject since pay records and actual payment are often simultaneously handled by different disbursement officers and often at different locations. Its complicated system and multiple handlings often cause the occurrence of mistakes which result in overpayment to the recipient. It was pointed out in testimony in the hearing that 3 out of every 5 persons in the military service are some time during their career erroneously overpaid. Under existing regulations, attempts for recovery of such amounts must now await the audit and

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disallowance by the General Accounting Office and are often so time-consuming and expensive that the collection proceedings are made ineffectual.

S. 2728 grants only authority to the Government to withhold current pay for erroneous payments made to or on behalf of a civilian or military personnel of the Government. It will make possible the prompt and expeditious collection of erroneous payments once they have been administratively determined but will not be final or conclusive on either the individual or the Government. If the administrative determination should prove to be incorrect or disputed, it would not deprive the individual of his remedy to redress, since he could assert a claim against the Government on account of an erroneous deduction either in the General Accounting Office or in the Court of Claims.

BACKGROUND OF PROPOSED LEGISLATION

As stated in the Comptroller General's report, while it is well established that, in the absence of specific statutory authority, the current salary (as distinguished from final salary) due a civilian employee of the Government or a member of the armed services may not be withheld without his consent to liquidate general debts due the United States, several statutes have been enacted which, to a limited extent, permit such withholding. However, there is no existing statute containing broad and general provisions on the subject comparable to those contained in section 1 of this proposed bill. Section 1766, Revised Statutes, 5 United States Code 82, applicable to accountable officers only, provides that no money shall be paid to any person for his compensation who is in arrears to the United States until he has accounted for and paid into the Treasury all sums for which he may be liable. Such section was rendered inoperative by the act of July 16, 1892 (27 Stat. 177; 10 U. S. C. 877), as amended by the act of July 10, 1952 (66 Stat. 575), insofar as officers of the armed services are concerned, except in those cases where the indebtedness involved is admitted or shown by the judgment of a court or is the subject of a special order issued according to the discretion of the Secretary of the department concerned. The act of May 22, 1928 (45 Stat. 698), as amended by the act of June 26, 1934 (48 Stat. 1222; 10 U. S. C. 875a), within certain limitations prescribed therein, authorizes withholding the pay of enlisted men of the Army when it has been administratively ascertained that they are indebted to the United States. Finally, the act of May 26, 1936 (49 Stat. 1374), as amended by the act of August 3, 1950 (64 Stat. 393; 5 U. S. C. 46b), authorizes the withholding of current compensation of the payee whenever, upon the statement of the account of any disbursing officer or certifying officer by the General Accounting Office, credit shall have been disallowed or a charge raised for any payment to any person in the executive branch of the Government.

SECTIONAL ANALYSIS OF S. 2728

Section 1 would permit the withholding of pay of any employee of the United States or any member of the Armed Forces, or a Reserve component thereof, where the Secretary of the department or head of the agency or establishment concerned determines that such person is indebted to the United States as the result of an erroneous payment

made by the department, agency, or establishment. Such amount to be recovered would be accomplished by the collection of installments from the current pay account of the individual.

Section 2 provides for the issuance of departmental regulations by the Secretary or head of an agency or establishment. Such regulations shall be approved by the Secretary of the Treasury.

Section 3 authorizes the adjustment of the appropriation of the department or agency concerned at the end of the fiscal year so as to charge any net underpayments in individual pay accounts against the appropriations for the next fiscal year. The act of February 9, 1946 (60 Stat. 3; 31 U. S. C. 634a), which now permits the Department of the Navy to make similar adjustments, would be repealed.

Section 4 insures that this legislation would have no effect upon the act of May 22, 1928 (45 Stat. 698; U. S. C. 875a) relating to deductions from the pay of Army enlisted personnel for debts due the United States.

AGENCY REPORTS

The following reports were submitted at the request of the Committee and are set forth below:

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington 25, D. C., February 2, 1954.

HON. FRANK CARLSON,
*Chairman, Committee on Post Office and Civil Service,
United States Senate, Washington 25, D. C.*

MY DEAR MR. CHAIRMAN: This will acknowledge your letter of January 21, 1954, inviting the Bureau of the Budget to comment on S. 2728, a bill to authorize the collection of indebtedness of military and civilian personnel resulting from erroneous payments, and for other purposes.

The purpose of this bill, to enable the Government to withhold the current compensation of personnel on account of indebtedness to the Government arising from erroneous payments, represents a desirable objective.

Accordingly, the Bureau of the Budget recommends that your committee give favorable consideration to this bill.

Sincerely yours,

ROWLAND HUGHES, *Acting Director.*

UNITED STATES CIVIL SERVICE COMMISSION,
Washington 25, D. C., February 1, 1954.

HON. FRANK CARLSON,
*Chairman, Committee on Post Office and Civil Service,
United States Senate.*

DEAR SENATOR CARLSON: Further reference is made to your request of January 21, 1954, for a report on S. 2728, a bill to authorize the collection of indebtedness of military and civilian personnel resulting from erroneous payments, and for other purposes.

S. 2728 provides that when it is determined by the head of a department or agency that an employee of the United States or any member of the Army, Navy, Air Force, Marine Corps, or Coast Guard, or a Reserve component thereof, is indebted to the United States as the result of any erroneous payment made by the department or agency to or on behalf of any such person, the amount of the indebtedness may be collected in monthly installments, by deduction in reasonable amounts from the current pay account of such person. Subject to approval by the Secretary of the Treasury, each department or agency head would prescribe regulations to carry out the purposes of the bill. Section 3 of the bill provides that in accordance with settlement procedures prescribed by the Comptroller General of the United States, the head of each department or agency is authorized to charge the net amount of the unpaid and overpaid balances occurring in individual pay accounts against the appropriation for the fiscal year in which the

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balancees occurred, and from which the amount was payable, and the net amount shall be credited to and paid from the corresponding appropriation for the next succeeding fiscal year.

The proposed legislation does not involve personnel administration and management. Its enactment would be of primary interest to the fiscal officers of the Government. The Commission would have no responsibilities under the bill except with respect to employees of its own organization.

The Commission would not be opposed to enactment of S. 2728 inasmuch as the desirability of authorizing the collection of erroneous payments from current pay accounts of civilian and military personnel is a question of legislative policy outside the scope of its activities.

The Commission, in accordance with established procedure, has been informed by the Bureau of the Budget that there would be no objection to the submission of this report to your committee.

By direction of the Commission:

Sincerely,

PHILIP YOUNG, *Chairman.*

COMPTROLLER GENERAL OF THE UNITED STATES.

Washington 25, February 1, 1954.

HON. FRANK CARLSON,

*Chairman, Committee on Post Office and Civil Service,
United States Senate.*

MY DEAR MR. CHAIRMAN: Reference is made to your letter of January 21, 1954, acknowledged January 22, requesting my views and comments on S. 2728, a bill to authorize the collection of indebtedness of military and civilian personnel resulting from erroneous payments, and for other purposes. Prior to the receipt of your letter, an identical legislative proposal was submitted by the Department of the Navy to the Committee on Armed Services, House of Representatives. In response to request of the chairman of that committee, a report thereon is being made by Office letter of today.

While it is well established that, in the absence of specific statutory authority, the current salary (as distinguished from final salary) due a civilian employee of the Government or a member of the armed services may not be withheld without his consent to liquidate general debts due the United States, several statutes have been enacted which, to a limited extent, permit such withholding. However, there is no existing statute containing broad and general provisions on the subject comparable to those contained in section 1 of the proposed bill. Section 1766, Revised Statutes, title 5, United States Code, section 82, applicable to accountable officers only, provides that no money shall be paid to any person for his compensation who is in arrears to the United States until he has accounted for and paid into the Treasury all sums for which he may be liable. Such section was rendered inoperative by the act of July 16, 1892 (27 Stat. 177; 10 U. S. C. 877), as amended by the act of July 10, 1952 (66 Stat. 575), insofar as officers of the armed services are concerned, except in those cases where the indebtedness involved is admitted or shown by the judgment of a court or is the subject of a special order issued according to the discretion of the Secretary of the department concerned. The act of May 22, 1928 (45 Stat. 698), as amended by the act of June 26, 1934 (48 Stat. 1222; 10 U. S. C. 875a), within certain limitations prescribed therein, authorizes withholding the pay of enlisted men of the Army when it has been administratively ascertained that they are indebted to the United States. Finally, the act of May 26, 1936 (49 Stat. 1374), as amended by the act of August 3, 1950 (64 Stat. 393; 5 U. S. C. 46b), authorizes the withholding of current compensation of the payee whenever, upon the statement of the account of any disbursing officer or certifying officer by the General Accounting Office, credit shall have been disallowed or a charge raised for any payment to any person in the executive branch of the Government.

In those cases in which it is administratively determined that the individual involved has been the recipient of an erroneous payment, the proposed legislation would authorize the withholding of current pay without awaiting audit action by the General Accounting Office as now required under the cited act of May 26, 1936, as amended. Further, it would extend the provisions of existing legislation to reach employees of the legislative and judicial branches of the Government. This Office is of the view that the proposed legislation, to the extent that it makes possible the more prompt and expeditious collection of erroneous payments made by the Government and would tend to reduce or eliminate time-consuming,

expensive, and often ineffectual collection proceedings, should be given favorable consideration.

Since the authority of the Government to withhold current pay under the proposed bill would be limited to erroneous payments made to or on behalf of civilian and military personnel of the Government, there would appear to be little, if any, occasion for abuse of the basic rights of the individual. The administrative determination that the payment made was erroneous would not be final or conclusive on either the individual or the Government. Rather, if the administrative determination be incorrect or disputed, the individual would not be without a remedy to redress a wrong, since he could assert a claim against the Government on account of an erroneous deduction either in the General Accounting Office or in the courts.

If any objection might be interposed to the proposed legislation, it is only that it confines the authority to withhold to the recovery of erroneous payments made by the department or agency involved. In this connection, there is now pending in the Congress a bill (S. 2630) to authorize deductions from the salaries and retirement benefits of Federal officers and employees and former Federal officers and employees to satisfy delinquent Federal taxes. It is my view that each employee of the Government, the same as any other individual in private industry, has a duty and an obligation to pay his just debts and that the unjustified failure of an employee to meet his financial obligations, whether to the Government or to others, reflects upon his fitness for continued Federal service. In this connection, and as a matter of internal management, Comptroller General's Order No. 416 provides that employees of the General Accounting Office who, without specific and sufficient reasons, habitually fail or refuse to meet their financial obligations or who otherwise demonstrate personal and financial irresponsibility, will be considered for separation from the service. In the light of the foregoing, it is believed that the Congress might well consider the enactment of all-inclusive legislation to authorize the recovery in reasonable installments from current pay of its employees of every indebtedness of any nature to the Government. It is my opinion that such legislation would serve to promote and maintain the high standards desired and expected of employees in the Federal public service.

Section 2 of the proposed legislation provides for the issuance of administrative regulations "to carry out the purposes of this Act." Since such regulations would appear properly applicable only to the proposed section 1 of the bill, it is suggested that this authorization be confined accordingly. Also, with respect to the second sentence of this section, providing that the administrative regulations issued in the matter be approved by the Secretary of the Treasury, it appears that the approval and necessary coordination of administrative regulations in the matter might well be vested in the Bureau of the Budget rather than in the head of one of the executive departments who has no general supervisory control over the various agencies in the executive, legislative, and judicial branches of the Government which would be affected.

This Office does not object to the provisions of sections 3 and 4 of the proposed bill and, subject to the foregoing comments and suggestions, recommends that the proposed bill be favorably considered.

Sincerely yours,

LINDSAY C. WARREN,
Comptroller General of the United States.

DEPARTMENT OF THE NAVY,
OFFICE OF THE SECRETARY,
Washington, November 24, 1953.

Hon. RICHARD M. NIXON,
President of the Senate,
United States Senate, Washington 25, D. C.

MY DEAR MR. PRESIDENT: There are forwarded herewith a draft of legislation to authorize the collection of indebtedness of military and civilian personnel resulting from erroneous payments, and for other purposes, and a sectional analysis thereof.

This proposal is part of the Department of Defense legislative program for 1954, and the Bureau of the Budget has no objection to the submission of the proposal to the Congress. The Department of Defense recommends that it be enacted.

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PURPOSE OF THE LEGISLATION

The purpose of this proposal is to permit the checkage of pay of any employee of the Government, or of any member of the Armed Forces or their Reserve components, upon a determination by the Secretary of the department, agency, or independent establishment concerned, or their designees, that such individual is indebted to the United States as the result of an erroneous payment to or on behalf of such person. This checkage would be accomplished by the collection in installments from the current pay account of the individual of reasonable amounts.

This proposal would also extend to other departments and agencies of the Government authority similar to that which the Secretary of the Navy now has to make adjustments of appropriations at the end of each fiscal year for unpaid balances in the pay accounts of Navy and Marine Corps personnel.

The act of May 26, 1936, as amended (5 U. S. C. 46b), requires the withholding, in part or in whole, of compensation otherwise due any person in the executive branch of the Government if the General Accounting Office takes an exception to a payment made to the employee by a disbursing or certifying officer of the United States. This provision of law relates only to the right to withhold pay on the basis of disallowances in the accounts of disbursing and certifying officers which have been raised by the General Accounting Office. Authority similar to that proposed in this legislation is found in the 1949 amendments to the Federal Employees' Compensation Act (63 Stat. 864; 5 U. S. C. 788 (a)) with respect to adjusting overpayments of compensation benefits to Government employees. However, no general authority exists for withholding, in part or in whole, pay of a Government employee or of a member of the Armed Forces prior to action by the General Accounting Office even in those cases wherein it is obvious that an erroneous payment has been made to a member. The proposed legislation would permit the checkage of pay prior to disallowances by the General Accounting Office in those cases where the Secretary or agency head concerned, or his designees, determines that an indebtedness exists.

The rights of the individual member in disputed cases are safeguarded under this proposed legislation by the following:

- (1) The determination of the indebtedness must be made by the Secretary or agency head concerned, or his designees;
- (2) The amount of such indebtedness, once determined, may be collected in monthly installments in reasonable amounts; and
- (3) The right of the individual to appeal a deduction to the General Accounting Office and to sue in the Court of Claims to recover pay which he considers erroneously deducted is unaffected.

The proposed legislation would also grant authority to all department and agency heads to make adjustments of appropriations at the end of each fiscal year for unpaid balances in the pay accounts of individuals in accordance with settlement procedures prescribed by the Comptroller General. Similar authority has been given previously to the Army and Air Force for fiscal year 1951 by section 628 of the General Appropriation Act, 1951 (Public Law 759, 81st Cong.), and for fiscal years 1952 and 1953 by section 624 of the 1952 and 1953 Department of Defense Appropriation Acts (Public Laws 179 and 488, 82d Cong.), and to the Navy by the act of February 9, 1946 (60 Stat. 3; 31 U. S. C. 634a). Under the provisions of section 621 of the Department of Defense Appropriation Act, 1954 (Public Law 179, 83d Cong.), the act of February 9, 1946, was made applicable to appropriations of the Department of Defense for military pay. This latter act would be repealed by the proposed legislation.

COST AND BUDGET DATA

This proposal would cause no apparent increase in budgetary requirements insofar as the Department of Defense is concerned.

Sincerely yours,

R. H. FOGLER,
Acting Secretary of the Navy.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill S. 2728, as reported, are shown as follows (matter to be omitted shown in black brackets):

AN ACT To provide for adjustment between the proper appropriations, of unpaid balances in the pay accounts of naval personnel on the last day of each fiscal year, and for other purposes (60 Stat. 3)

[Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That upon certification to the Comptroller General and the Secretary of the Treasury by the Bureau of Supplies and Accounts on transfer and counter-warrants of the net amount of the unpaid and overpaid balances occurring in the individual pay accounts of naval personnel on the last day of any fiscal year, such net amount shall be charged against the appropriation for the fiscal year in which such balances occurred, and from which such amount was payable, and shall be credited to and payable from the corresponding appropriation for the next succeeding fiscal year.]



Calendar No. 935

83^D CONGRESS
2^D SESSION

S. 2728

[Report No. 937]

IN THE SENATE OF THE UNITED STATES

JANUARY 18 (legislative day, JANUARY 7), 1954

Mr. CARLSON introduced the following bill; which was read twice and referred to the Committee on Post Office and Civil Service

FEBRUARY 15 (legislative day, FEBRUARY 8), 1954

Reported by Mr. CARLSON, without amendment

A BILL

To authorize the collection of indebtedness of military and civilian personnel resulting from erroneous payments, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That, when it is determined by the Secretary of the depart-
4 ment concerned or the head of the agency or independent
5 establishment concerned, or one of their designees, that
6 an employee of the United States or any member of the
7 Army, Navy, Air Force, Marine Corps, or Coast Guard, or a
8 reserve component thereof, is indebted to the United States
9 as the result of any erroneous payment made by the depart-
10 ment, agency, or independent establishment concerned to or

1 on behalf of any such person, the amount of the indebtedness
2 may be collected in monthly installments, or at officially
3 established regular pay period intervals, by deduction in
4 reasonable amounts from the current pay account of such per-
5 son. The deductions may be made only from basic compen-
6 sation, basic pay, special pay, and incentive pay, retired pay,
7 retainer pay, or in the case of persons not entitled to basic
8 pay, other authorized pay. Collection shall be effected over
9 a period not greater than the anticipated period of active
10 duty or period of employment, as the case may be. If such
11 individual retires, resigns, or his employment or period of
12 active duty is otherwise terminated before such adjustment
13 has been completed, adjustment shall be made by decreasing
14 subsequent payments, of whatever nature, due such person
15 by the department, agency, or independent establishment
16 concerned. Nothing in this section shall modify any existing
17 law which provides for forfeiture of pay or allowances.

18 SEC. 2. Each Secretary of a department, or head of an
19 agency or independent establishment, as appropriate, shall
20 prescribe regulations to carry out the purposes of this Act.
21 Such regulations shall be approved by the Secretary of the
22 Treasury. Regulations prescribed by the Secretaries of the
23 Army, Navy, and Air Force shall be uniform for the mili-
24 tary services insofar as practicable.

25 SEC. 3. (a) In accordance with settlement procedures

1 prescribed by the Comptroller General of the United States,
2 the Secretary of the department concerned or the head of
3 the agency or independent establishment concerned is au-
4 thorized to charge the net amount of the unpaid and overpaid
5 balances occurring in individual pay accounts against the
6 appropriation for the fiscal year in which the balances oc-
7 curred, and from which the amount was payable, and the
8 net amount shall be credited to and paid from the cor-
9 responding appropriation for the next succeeding fiscal year.

10 (b) The Act of February 9, 1946 (ch. 2, 60 Stat. 3)
11 is repealed.

12 SEC. 4. Nothing contained in this Act shall be con-
13 strued as repealing, amending, or modifying in any way
14 the provisions of the Act of May 22, 1928 (ch. 676, 45
15 Stat. 698).

A BILL

To authorize the collection of indebtedness of military and civilian personnel resulting from erroneous payments, and for other purposes.

By Mr. CARLSON

JANUARY 18 (legislative day, JANUARY 7), 1954

Read twice and referred to the Committee on Post
Office and Civil Service

FEBRUARY 15 (legislative day, FEBRUARY 8), 1954

Reported without amendment

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued February 23, 1954
For actions of February 19, 1954
83rd-2nd, No. 32

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HIGHLIGHTS: Sen. Lehman claimed dairy farmer price squeeze. Sen. Hennings criticized USDA's handling of drought aid. Sen. Frear discussed International Wheat agreement and intergovernmental agreements for other commodities. Sen. Johnson (Colo.) introduced bill imposing wool import quotas. Sen. Dworshak introduced bill to transfer certain seeds from CCC to Federal land-administering agencies. House Committee reported second supplemental appropriation bill for 1954.

SENATE

1. PRICE SUPPORTS. Sen. Lehman claimed the Secretary's reduction of dairy price supports placed the farmer in a "disastrous squeeze" (p. 1933).
2. DROUGHT AID. Sen. Hennings criticized USDA's handling of the drought aid program, saying, "It seems obvious that no relief...can be expected from the Department of Agriculture by farmers who face drought disaster" (pp. 1937-8).
3. TREATIES. Continued debate on S. J. Res. 1, to limit the President's treaty power (pp. 1938-40, 1944-50, 1953-63).
4. TAXATION; COOPERATIVES. Sen. Morse inserted a No. Corvallis (Ore.) Farmers Union resolution favoring a change in Federal income tax regulations to allow farmers to pay taxes on certificates issued by cooperatives when they are cashed, and not when issued, as at present (p. 1928).
5. ECONOMIC SITUATION. Sen. Morse criticized the President's money and tax policies (pp. 1950-53).
6. COMMODITY AGREEMENTS. Sen. Frear spoke against international commodity agreements, including the International Wheat Agreement, and inserted the recommendations of the Randall Commission, the United Nations study "Commodity Trade and Economic Development," and two Raymondoley articles on the subject (pp. 1963-66).

7. PERSONNEL; DISBURSING. S. 2728 (see Digest 28) would provide for withholding pay of any U.S. employee, member of the Armed Forces, or Reserve component thereof, when such person is indebted to the U.S. as the result of an erroneous payment, which amount would be recovered by collecting installments from his current pay account. Provides for the issuance of departmental regulations to carry out the purposes of this bill, which regulations shall be approved by the Treasury Secretary. Authorizes adjustment of appropriations so as to charge any net underpayments in individual pay accounts against appropriations for the next fiscal year.

8. RECESSED until Mon., Feb. 22 (p. 1977).

HOUSE

9. APPROPRIATIONS. In addition to the items for this Department (see Digest 30), the President's omnibus supplemental budget estimate for fiscal year 1954 includes the following: Farm Credit Administration, \$140,000, to be derived from receipts from farm credit agencies, for (1) expenses of the Board, (2) legal services formerly provided by USDA, and (3) development of recommendations to Congress of means for increasing borrower participation in the ownership of the Federal Farm Credit System; and the Department of HEW, \$5,850,000, for an additional amount to cover payments to local educational agencies in areas affected by Federal activities. The document (H. Doc. 330) includes a table showing estimated penalty mail costs, amount absorbed, and additional funds required. (\$5,888,753 is indicated for this Department, all of which is to be absorbed.)

The Appropriations Committee reported without amendment the second supplemental appropriation bill for 1954. This bill includes the following items: President's Advisory Committee on Government Organization, \$60,000 (to enable the Committee to continue until June 30, 1955); Commission on Organization of the Executive Branch of the Government, \$300,000 (\$1,531,909 below the budget estimate); and claims and judgments (same as budget estimate).

ITEMS IN APPENDIX

10. REA. Sen. Douglas inserted his recent address before the Monroe (Ill.) County Cooperative in which he defended REA programs and stated that "it would be well to have a rousing congressional investigation of this drive against REA and the violent campaign of propaganda against the co-ops and public-power projects" (pp. A1368-70).

Rep. Deane inserted his address before an association of 32 REA cooperatives in N. C. commending REA and outlining some of the achievements of the programs (pp. A1377-8).

11. FARM PROGRAM. Sen. Ives inserted a Northeast Farm Foundation (Ithaca, N.Y.) letter favoring the Secretary's proposed farm program and stating that "it may not be politically popular, but it is a step in the right direction" (p. A1374).

12. DAIRY INDUSTRY. Sen. Thye inserted 3 Alfred Stedman articles discussing some of the problems of the dairy farmer and stating that two of the reasons for the slump in milk consumption are the high retail price of milk and certain barriers for transporting milk into districts where it is needed (pp. A1375-6).

Sen. Thye inserted a Minneapolis (Minn.) Morning Tribune article opposing the reduction in dairy support prices (pp. A1380-1).

AUTHORIZING THE COLLECTION OF INDEBTEDNESS OF MILITARY AND CIVILIAN PERSONNEL RESULTING FROM ERRONEOUS PAYMENTS

APRIL 7, 1954.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

Mr. HOFFMAN of Michigan, from the Committee on Government
Operations, submitted the following

R E P O R T

[To accompany H. R. 7477]

The Committee on Government Operations, to whom was referred the bill (H. R. 7477) to authorize the collection of indebtedness of military and civilian personnel resulting from erroneous payments, and for other purposes, having considered the same, report favorably thereon, with an amendment, and recommend that the bill, as amended, do pass.

The amendment is as follows:

Page 2, lines 22 and 23, strike out the words "Secretary of the Treasury" and insert the words "Director of the Bureau of the Budget".

PURPOSE

The purpose of the bill, as amended, is to permit the checkage of pay of any employee of the Government, or of any member of the Armed Forces or their Reserve components, upon determination by the Secretary of the department or the head of the agency or independent establishment concerned, or their designees, that the employee or member of the Armed Forces is indebted to the United States as the result of an erroneous payment to or on behalf of such person. The amount of the indebtedness would be collected in monthly installments by deductions of reasonable amounts from the current pay account of such persons.

GENERAL STATEMENT

No general authority exists for withholding, in part or in whole, pay of a Government employee or of a member of the Armed Forces

prior to action by the General Accounting Office even in those cases where it is obvious that an erroneous payment has been made.

The act of May 26, 1936 (49 Stat. 1374), as amended (5 U. S. C. 46b), authorizes the withholding, in part or in whole, of compensation otherwise due any person in the executive branch of the Government if the General Accounting Office takes an exception to a payment made to the employee by a disbursing or certifying officer of the United States. The act of May 22, 1928 (45 Stat. 698), as amended (10 U. S. C. 875a), within certain limitations prescribed therein, authorizes withholding of the pay of enlisted men of the Army when it has been administratively ascertained that they are indebted to the United States. The Navy does not have comparable authority.

The proposed legislation would permit the checkage of pay prior to disallowance by the General Accounting Office in those cases where the head of the department or agency concerned, or his designees, determines that an indebtedness exists. The administrative determination that the payment received was erroneous would not be final or conclusive on either the individual concerned or the Government. If the administrative determination was incorrect or disputed, the individual concerned would not be without a remedy to redress a wrong as he could assert a claim against the Government on account of the erroneous deduction either in the General Accounting Office or in the Court of Claims.

Enactment of this proposal would make possible the prompt and expeditious collection of erroneous payments and would tend to eliminate or reduce time-consuming and expensive collection proceedings which often are ineffectual.

The proposed legislation would also extend to all departments and agencies of the Government authority similar to that which the Department of the Navy now has to make adjustments of appropriations at the end of each fiscal year for unpaid balances in the pay accounts of Navy and Marine Corps personnel, and would repeal the Navy's authority now contained in the act of February 9, 1946 (60 Stat. 3; 31 U. S. C. 634a).

The proposed legislation also provides that nothing contained therein shall affect the Army's authority, contained in the act of May 22, 1928 (10 U. S. C. 875a), to make deductions from pay of enlisted personnel for debts to the United States.

Enactment of this proposed legislation would involve no additional cost to the Government.

The Senate Committee on Post Office and Civil Service favorably reported S. 2728, on February 15, 1954, Senate Report No. 937. That bill is identical with H. R. 7477 prior to its amendment by this committee.

SECTIONAL ANALYSIS

Section 1 would permit the checkage of pay of any employee of the United States or any member of the Armed Forces, or a Reserve component thereof, where the Secretary of the department or head of the agency or establishment concerned determines that such person is indebted to the United States as a result of an erroneous payment made by the department, agency, or establishment. The checkage would be accomplished by the collection of installments from the current pay account of the individual.

Section 2 provides for the issuance of departmental regulations by the Secretary or head of an agency or establishment. Such regulations shall be approved by the Director of the Bureau of the Budget.

Section 3 authorizes the adjustment of the appropriation of the department or agency concerned at the end of the fiscal year so as to charge any net underpayments in individual pay accounts against the appropriation for the next fiscal year. The act of February 9, 1946 (60 Stat. 3; 31 U. S. C. 634a), which now permits the Department of the Navy to make similar adjustments, would be repealed.

Section 4 insures that this legislation would have no effect upon the act of May 22, 1928 (45 Stat. 698; 10 U. S. C. 875a), relating to deductions from the pay of Army enlisted personnel for debts due the United States.

AGENCY COMMENTS

The Bureau of the Budget indicated that the purpose of the bill represents a desirable objective, and it therefore recommended favorable consideration.

The Treasury Department indicated that it believed that the proposed legislation is desirable, and recommended its enactment.

The Civil Service Commission indicated that the legislation does not involve personnel administration and management, but that it is of primary interest to the fiscal officers of the Government. The Commission indicated that it would not be opposed to enactment of the legislation, inasmuch as the desirability of authorizing the collection of erroneous payments from current pay accounts of civilian and military personnel is a question of legislative policy outside the scope of its activities.

The Department of the Navy, acting on behalf of the Department of Defense, recommended the enactment of this legislation, indicating that the proposed legislation is a part of the Department of Defense's legislative program for 1954.

The Navy Department indicated that the following procedures are presently followed by the military services for recovery of erroneous payments to military and civilian personnel under existing statutes, and that the proposed legislation would establish uniformity:

MILITARY PERSONNEL

Officers.—The procedure followed by the Army, Navy, Air Force, and Marine Corps in the cases of officers is the same with minor exceptions.

Officers are afforded the opportunity of refunding an erroneous payment voluntarily. In the Army and Air Force they are permitted to liquidate amounts in excess of \$50 by monthly installments. In the Navy and Marine Corps if the erroneous payment approximates 1 month's pay or more the indebtedness may be liquidated by monthly installments; if less than 1 month's pay the indebtedness must be paid in full.

In all of the services if an officer declines to make the refund voluntarily and the erroneous payment has been disallowed by the General Accounting Office in the disbursing officer's accounts, the amount is entered for collection on the officer's military pay record without his consent, as authorized by the act of May 26, 1936, as amended (5 U. S. C. 46b). If there is no disallowance in the disbursing officer's accounts, the amount is entered as a suspense item on the officer's military pay record for collection from his final pay. In the event that the officer declines to authorize collection from his final pay, the disbursing officer does not effect payment of final pay but forwards the military pay record, via appropriate command, to the General Accounting Office for further collection proceedings.

Enlisted.—The procedure for enlisted personnel is different in the Army and Air Force from that in the Navy and Marine Corps because of the authority

4 COLLECT INDEBTEDNESS RESULTING FROM ERRONEOUS PAYMENTS

granted to the Army and Air Force by the act of May 22, 1928, as amended (10 U. S. C. 875a).

Under the authority of that act when it has been administratively determined that an enlisted member of the Army or Air Force is indebted to the United States or any of its instrumentalities, the indebtedness may be collected in monthly installments by deductions from the member's pay, provided that the aggregate sum of such deductions for any one month does not exceed two-thirds of his rate of pay for that month. The rate of pay includes basic pay, incentive pay, and special pay earned for the current month but does not include basic allowance for quarters and subsistence, or reenlistment bonus. The two-thirds limitation or deductions is not applicable in the case of enlisted members whose accounts are being settled due to discharge for fraud, desertion, discharge on account of mental incompetence, and death.

When the indebtedness exceeds two-thirds of the monthly rate of pay and the enlisted member has no current allotments, a partial payment will be made of one-third of the rate of pay per month until the indebtedness has been liquidated. However, where deemed necessary a partial payment in excess of the one-third amount may be authorized but only when the total indebtedness will be fully satisfied prior to the termination of the current enlistment. When the enlisted member has in effect a certain class of allotments, such as allotments for Government insurance, allotments for the support of dependents, and savings-bond allotments, such allotments are considered as a part of the one-third monthly rate of pay reserved to the enlisted member. In cases of hardship, however, when the total indebtedness, including these allotments, exceeds two-thirds of the monthly rate of pay, a partial payment in excess of the one-third rate may be authorized provided the total indebtedness will be fully satisfied prior to termination of the current enlistment. In cases where such authorization is precluded for the reason that total indebtedness will not be satisfied prior to termination of the current enlistment, a partial payment not to exceed \$10 will be made when determined by the company commander. Prior, however, to authorization of such partial payment, any allotments, except allotments for payment of premiums on commenced insurance, in effect will be discontinued or reduced. When a dependent's assistance allotment is involved, the member's contribution to the allotment, that is, \$40, \$60, or \$80, is a legally authorized deduction from monthly pay and is not considered a portion of the one-third pay reserved to the enlisted member.

The procedure for enlisted personnel of the Navy and Marine Corps is similar similar to that described above for officers of those services inasmuch as there is no statute similar to the act of May 22, 1928, as amended (10 U. S. C. 875a) applicable to enlisted personnel of the Navy and Marine Corps.

CIVILIAN PERSONNEL

The procedure followed for the recovery of erroneous payments to civilian personnel is in general the same in all of the military services.

Under the authority of the act of May 26, 1936, as amended (5 U. S. C. 46b), erroneous payments may be collected by checkage against the current salary payments of civilian personnel where there has been a disallowance by the General Accounting Office. No authority exists in all other cases to set off general debts due the United States by its employee against current salary payments without their consent, even though the debts have been determined as to amount and are undisputed. The prohibition against setoff action does not, however, apply to final salary payments upon separation from service or to lump-sum payments due separated employees for accrued annual leave. Where all other means to effect recovery of a valid debt due the United States has been exhausted, the Civil Service Commission may be requested to set off money due the separated employee from the retirement fund.

Payroll collections are made from current salary payments if the employee gives his consent. Where pay collections are not made, a record of indebtedness is maintained on the individual pay record and every effort is made to collect the indebtedness.

The General Accounting Office, in its comments on the bill, indicated that it has been consistently held that the withholding of the current salary of an employee of the Government without his consent, to satisfy a debt to the Government, is unauthorized in the absence of specific statutory authority. At the present time, such authority is extremely limited.

Under existing legislation the current compensation of civil accountable officers may be withheld to cover any sums outstanding for which they are accountable (5 U. S. C. 82). Also, the current compensation of Government employees in the executive branch generally may be withheld to recover sums paid to such employees for which credit has been disallowed, or a charge raised, in the accounts of any disbursing officer or certifying officer upon the statement of his account by the General Accounting Office (5 U. S. C. 46b). The pay of officers of the armed services may be withheld on account of an indebtedness to the United States when the indebtedness is admitted or shown by the judgment of a court or is the subject of a special order issued by the Secretary in his discretion (10 U. S. C. 877). The pay of enlisted men of the Army may be withheld, within certain prescribed limitations, when it has been administratively determined that they are indebted to the United States (10 U. S. C. 875a).

Thus, under the referred-to existing legislation the withholding of current compensation can presently be effected in the case of accountable officers of the Government for sums for which they are accountable; in the cases of Government employees generally for erroneous payments made to them, but only after audit action by the General Accounting Office; in the cases of officers of the Army for any indebtedness to the United States where the indebtedness is admitted or shown by the judgment of a court or is the subject of a special order issued by the Secretary of the Army; and in the cases of enlisted men of the Army, within certain prescribed limitations, for any indebtedness to the United States based upon an administrative determination of the indebtedness.

H. R. 7477 extends only to erroneous payments and will provide uniform treatment for the collection thereof from all employees of the Government and members of the armed services and their Reserve components. It will vest in the head of the department or agency the authority to determine that an erroneous payment has been made and to take prompt and effective steps to require the repayment thereof, without the necessary attendant delay of settlement action by the General Accounting Office. Such administrative determination would not be final or conclusive on either the Government or the individual. If the administrative determination is disputed, the individual could promptly assert a claim against the Government either in the General Accounting Office or in the courts.

It is the view of the General Accounting Office that the proposed legislation will make possible the more prompt and expeditious collection of erroneous payments made by the Government and will tend to reduce or eliminate time-consuming, expensive, and often ineffectual collection proceedings. Further, since the bill would extend only to erroneous payments made to individuals—generally speaking, overpayments made as a result of administrative error in some form—it would seem improbable that in the great majority of cases there could be any dispute as to the particular item involved. For these reasons, and since it is believed that no employee of the Government should be allowed to retain for extended periods amounts paid to him in error and to which he is not entitled, and in fact would not have been paid were it not for some administrative error, the General Accounting Office recommends that favorable consideration be given the bill.

COMMITTEE ACTION

In the committee's opinion, the rights of individual members in disputed cases are safeguarded under this legislation by the following:

(1) The determination of the indebtedness must be made by the Secretary or agency head concerned, or his designees;

(2) The amount of such indebtedness, once determined, may be collected in monthly installments in reasonable amounts; and

(3) The right of the individual to appeal a deduction to the General Accounting Office and to sue in the Court of Claims to recover pay which he considers erroneously deducted is unaffected.

The committee amended the bill to give authority to the Director of the Bureau of the Budget to approve regulations prescribed by the heads of the departments or agencies for the purpose of carrying out this act, rather than leave this authority of approval in the Secretary of the Treasury, as originally provided for in the bill. The amendment was believed desirable, as only the Director of the Bureau of the Budget has general supervisory control over the various agencies in the executive, legislative, and judicial branches of the Government, which would be affected by the provisions of this bill.

CHANGES IN EXISTING LAW

In compliance with paragraph 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets):

AN ACT To provide for adjustment between the proper appropriations, of unpaid balances in the pay accounts of naval personnel on the last day of each fiscal year, and for other purposes (60 Stat. 3)

[Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That upon certification to the Comptroller General and the Secretary of the Treasury by the Bureau of Supplies and Accounts on transfer and counter-warrants of the net amount of the unpaid and overpaid balances occurring in the individual pay accounts of naval personnel on the last day of any fiscal year, such net amount shall be charged against the appropriation for the fiscal year in which such balances occurred, and from which such amount was payable, and shall be credited to and payable from the corresponding appropriation for the next succeeding fiscal year.]



83^D CONGRESS
2^D SESSION

H. R. 7477

[Report No. 1507]

IN THE HOUSE OF REPRESENTATIVES

JANUARY 25, 1954

Mr. HOFFMAN of Michigan (by request) introduced the following bill; which was referred to the Committee on Government Operations

APRIL 7, 1954

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Omit the part struck through and insert the part printed in italic]

A BILL

To authorize the collection of indebtedness of military and civilian personnel resulting from erroneous payments, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That, when it is determined by the Secretary of the De-
4 partment concerned or the head of the agency or independent
5 establishment concerned, or one of their designees, that an
6 employee of the United States or any member of the Army,
7 Navy, Air Force, Marine Corps, or Coast Guard, or a
8 Reserve component thereof, is indebted to the United States
9 as the result of any erroneous payment made by the de-
10 partment, agency, or independent establishment concerned

1 to or on behalf of any such person, the amount of the
2 indebtedness may be collected in monthly installments, or at
3 officially established regular pay period intervals, by de-
4 duction in reasonable amounts from the current pay account
5 of such person. The deductions may be made only from
6 basic compensation, basic pay, special pay, and incentive
7 pay, retired pay, retainer pay, or in the case of persons not
8 entitled to basic pay, other authorized pay. Collection shall
9 be effected over a period not greater than the anticipated
10 period of active duty or period of employment, as the case
11 may be. If such individual retires, resigns, or his employ-
12 ment or period of active duty is otherwise terminated before
13 such adjustment has been completed, adjustment shall be
14 made by decreasing subsequent payments, of whatever
15 nature, due such person by the department, agency or
16 independent establishment concerned. Nothing in this sec-
17 tion shall modify any existing law which provides for for-
18 feiture of pay or allowances.

19 SEC. 2. Each Secretary of a Department, or head of an
20 agency or independent establishment, as appropriate, shall
21 prescribe regulations to carry out the purposes of this Act.
22 Such regulations shall be approved by the ~~Secretary of the~~
23 ~~Treasury~~ *Director of the Bureau of the Budget*. Regulations
24 prescribed by the Secretaries of the Army, Navy, and Air

1 Force shall be uniform for the military services insofar as
2 practicable.

3 SEC. 3. (a) In accordance with settlement procedures
4 prescribed by the Comptroller General of the United States,
5 the Secretary of the Department concerned or the head of the
6 agency or independent establishment concerned is authorized
7 to charge the net amount of the unpaid and overpaid balances
8 occurring in individual pay accounts against the appropria-
9 tion for the fiscal year in which the balances occurred, and
10 from which the amount was payable, and the net amount
11 shall be credited to and paid from the corresponding
12 appropriation for the next succeeding fiscal year.

13 (b) The Act of February 9, 1946 (ch. 2, 60 Stat. 3),
14 is repealed.

15 SEC. 4. Nothing contained in this Act shall be con-
16 strued as repealing, amending, or modifying in any way the
17 provisions of the Act of May 22, 1928 (ch. 676, 45
18 Stat. 698).

83^d CONGRESS
2^d Session

H. R. 7477

[Report No. 1507]

A BILL

To authorize the collection of indebtedness of military and civilian personnel resulting from erroneous payments, and for other purposes.

By Mr. HOFFMAN of Michigan

JANUARY 25, 1954

Referred to the Committee on Government Operations

APRIL 7, 1954

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued June 3, 1954
For actions of June 2, 1954
83rd-2nd, No. 101

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HIGHLIGHTS: Senate passed agricultural appropriation bill. Senate committee voted to report bills to extend Commodity Exchange Act to onions and increase fees, authorize additional contract research, authorize banks for cooperatives to issue consolidated debentures, and modify peanut allotment legislation. Sen. Beall commended President's farm program. Rep. Yorty criticized flexible price supports and USDA dairy program. Rep. Hope introduced bill to increase market development and acquire agricultural information in foreign countries.

SENATE

1. AGRICULTURAL APPROPRIATION BILL, 1955. Passed with amendments this bill, H. R. 8779 (pp. 7070-91). (See page 5 for excerpts from Senate committee report.)
Sens. Young, Ferguson, McCarthy, Mundt, Aiken, Russell, Hayden, and McCarran were appointed conferees (p. 7091).

Agreed to the following amendments:

- By Sen. Douglas, to increase the authorization for REA electrification loans from \$100,000,000 to \$135,000,000; by a vote of 42 to 40. A motion was made to reconsider the vote, and that motion was laid on the table by a vote of 43 to 39. (pp. 7070-83.)
- By Sen. Monroney, to increase the item for watershed protection from \$5,000,000 to \$6,000,000 (pp. 7089-90).
- By Sen. Eastland, to amend the language of the Marketing Service appropriation so as to require the opening of three cotton classing offices in Miss. (p. 7091).
- By Sen. Welker, to increase the item for White Pine Blister Rust Control by \$60,000 (p. 7091).

Rejected the following amendments:

- By Sen. Long, to increase the School Lunch Program by \$10,000,000 for non-food assistance, by a vote of 39 to 43 (pp. 7084-7).
- By Sen. Morse, to increase the contingency authorization for electrification loans from \$35,000,000 to \$70,000,000, by a vote of 22 to 61 (pp. 7087-9).

2. COMMODITY EXCHANGES; RESEARCH; PEANUTS; FARM LOANS; LAND TRANSFERS. The Agriculture and Forestry Committee voted to report (but did not actually report) H. R. 6435, to amend the Commodity Exchange Act to include onions (amendment would provide that the bill take effect 60 days after enactment); and without amendment S. 2367, to authorize this Department to contract for research on projects in addition to those covered by the Research and Marketing Act; S. 2715, to permit peanut farmers to come under price supports, under certain circumstances, without penalty for exceeding their acreage allotments; S. 3207, to authorize the Secretary to fix reasonable fees and charges under the Commodity Exchange Act for registration and renewal; S. 3487, to authorize the Central Bank for Cooperatives and the regional banks for cooperatives to issue consolidated debentures; S. J. Res. 134, to direct the Secretary to quitclaim retained rights to a tract of former FHA land to the Board of Education of Irwin County, Ga.; H. R. 107, to provide for transfer to N. Dak. of a former tract of FHA land at Fort Buford; H. R. 3097, to donate the USDA Grape Station at Oakville, Calif., to the University of California; and H. R. 4017, to convey certain land and improvements (formerly FHA) to the England Special School District, Ark. (p. D614).

3. PERSONNEL. S. 2728, to authorize the collection of indebtedness of military and civilian personnel resulting from erroneous payments, was made the unfinished business (p. 7109).

4. CCC AUDIT. Received the GAO audit report on CCC, part 2, for the fiscal year 1952 (p. 7062).

5. RECLAMATION. The Interior and Insular Affairs Committee reported with amendments S. 3336, to include Nevada among the States authorized to negotiate a compact for apportioning Columbia River waters (S. Rept. 1494)(p. 7062).

6. PRICE SUPPORTS. Sen. Beall commended the President's farm program and inserted a Frederick (Id.) Chamber of Commerce resolution on this matter (p. 7064).

HOUSE

7. SOCIAL SECURITY. Rep. Elliott spoke in favor of H. R. 9366, the social security bill (p. 7112).

8. PUBLIC LANDS. A subcommittee voted to report to the full Interior and Insular Affairs Committee H. R. 8896, to amend the mineral leasing laws to provide for multiple mineral development of the same tracts of public lands (p. D617).

9. EDUCATION. The Veterans Affairs Committee reported with amendment H. R. 9395, to provide 2 additional years for initiating a course of training under the Korean GI bill (H. Rept. 1704)(p. 7130).

10. LOBBYING. Received the quarterly report of registrations under the Lobbying Act (pp. 7132-67).

BILLS INTRODUCED

11. RICE IMPORTS. S. 3545, by Sen. Ellender (for himself and others), and H. R. 9418, by Rep. Thompson of La., to remove Patna rice from the free list; to House Ways and Means Committee and Senate Finance Committee (pp. 7063, 7131).

12. SOIL CONSERVATION. H. R. 9419, by Rep. Young, "to amend the Soil Conservation and Domestic Allotment Act"; to Agriculture Committee (p. 7131).

under the late Senator Griswold, but from the committee as a whole. While at first there were some disagreements regarding the bill, they have been ironed out.

The correction this bill makes in the existing law is long overdue. I wish to read one paragraph from a letter from a retired engineer of the Pennsylvania Railroad Co.:

When I retired on December 31, 1942, after over 40 years of service with the railroad, I was given an annuity of \$93.87 per month which through subsequent increases of 20 percent and a later increase of 15 percent raised my annuity to \$129.80 which was immediately reduced to \$98.30 by deducting the amount of my social security, \$31.50, and I know of other retired men who have been reduced up to nearly \$60 per month.

I wanted to read that excerpt into the RECORD to show the inequity being done under the language of the law which we are now about to correct. It is not intended to deny any retired railroad worker the things he has earned and to which he is entitled.

I commend my colleagues on both sides of the aisle for their work in connection with the bill.

Mr. LANGER. Mr. President, with reference to the pending bill, I wish to read a telegram which I received from T. C. Carroll, president of the Brotherhood of Maintenance of Way Employees. The telegram which is dated June 2, 1954, reads as follows:

WASHINGTON, D. C., June 2, 1954.
Senator WILLIAM LANGER,
United States Senate,
Washington, D. C.:

This telegram pertains to S. 2178 repealing section 3 (b) of the Railroad Retirement Act. Approximately 540,000 individuals, including 280,000 retired employees, now receive benefits under that act, but of the 34,500 now affected by the dual-benefit restriction only a comparatively small percentage are protesting the restriction. In 1951, it developed that liberalizing amendments being considered by Congress might make the system actuarially unsound unless compensating provisions were included. All the standard railroad labor organizations approved section 3 (b) as one of these offsetting provisions to obtain the amendments. Almost immediately some of them began a movement to have section 3 (b) repealed, and H. R. 356 originated in the House. In December 1953 all the standard railroad labor organizations approved a substitute to H. R. 356 which I introduced at hearings on February 17, 1954, before the Senate Committee on Labor and Public Welfare (see page 132 of hearings). In January 1954 three of the transportation organizations withdrew from the agreement to support this substitute (pages 125 and 135 of hearings). On two subsequent occasions, the first one at the request of the chairman of the Senate Committee on Labor and Public Welfare, representatives of Railway Labor Executives Association made honest efforts to reach an agreement with representatives of the four transportation organizations, but they would not recede one iota from their position that they would support nothing other than H. R. 356. The chairman of the Senate committee advised April 1, 1954, by letter, that the committee would not act on any pending railroad-retirement legislation until disposition had been made of H. R. 356. The chairman of Railway Labor Executives Association made a report to the chairman of the committee

of our efforts and failure to reach an agreement. On May 14 the Senate committee ordered a favorable report on S. 2178, which contains the language of H. R. 356. We feel that this capitulation to those who wish to take advantage of the opportunity to draw full benefits under both the Railroad Retirement and Social Security Acts places a tremendous financial burden, and we think an unjust burden, of \$385 million on railroad workers and the railroads, who are paying the tax to support the railroad retirement system. Those affected by the dual-benefit restriction have paid little, if any, tax into the railroad-retirement system, and certainly they have paid very small taxes to the social-security system, having taken advantage of the 1950 new-start clause under the Social Security Act. Their annuities have been materially increased since the Railroad Retirement Act was first passed, and in each instance those on the retirement rolls were given the benefit of the increases regardless of the amount of tax they may have contributed to the system. Their position is much more advantageous than that of railroad workers who though qualified for retirement remain at work and those who retire when qualified but do not obtain employment under social-security coverage. We think it is too much to place a further burden on present and future railroad workers through the enactment of S. 2178 or similar bills, and on behalf of the 250,000 workers represented on United States railroads by my brotherhood, I respectfully request that you vote against this measure.

T. C. CARROLL,
President, Brotherhood of
Maintenance of Way Employees.

Mr. President, I am not a member of the committee. The appropriate committees have studied the matter fully and completely. I bring this telegram to the attention of the Members of the Senate, because I believe any telegram sent by T. C. Carroll, president of the Brotherhood of Maintenance-of-Way Employees, is worthy of consideration. I have no doubt that the members of the Committee on Labor and Public Welfare have studied the matter, and the information in the telegram undoubtedly has received their full attention.

Mr. COOPER. Mr. President, I thank my good friend the distinguished Senator from North Dakota for reading the telegram. The committee considered all the matters which are the subject of the telegram which has just been read. It was only after long delays and attempts to get the opposing group to agree that the committee recommended the passage of the bill.

Mr. President, there is pending before the Committee on Labor and Public Welfare, House bill 356, which is identical to the Senate bill which is now before the Senate. In the interest of expediting the enactment of the legislation, it would be advisable to consider and pass H. R. 356 in lieu of the Senate bill. Therefore I ask unanimous consent that the Committee on Labor and Public Welfare be discharged from further consideration of House bill 356 and that the House bill be considered and passed in lieu of Senate bill 2178.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Committee on Labor and Public Welfare is discharged from the further con-

sideration of House bill 356. Is there objection to the present consideration of the House bill?

There being no objection, the bill (H. R. 356) to amend the Railroad Retirement Act of 1937, as amended, was considered, ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 2178 is indefinitely postponed.

COLLECTION OF INDEBTEDNESS OF MILITARY AND CIVILIAN PERSONNEL

Mr. KNOWLAND. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 935, Senate bill 2728, to authorize the collection of indebtedness of military and civilian personnel resulting from erroneous payments, and for other purposes.

The PRESIDING OFFICER. The clerk will state the bill by title.

The LEGISLATIVE CLERK. A bill (S. 2728) to authorize the collection of indebtedness of military and civilian personnel resulting from erroneous payments, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. COOPER. Mr. President, there is an amendment which has been printed and is lying on the table, and which I intend to offer.

Mr. KNOWLAND. Mr. President, it is not my intention to have the bill considered tonight.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. CARLSON. Did I understand the Senator from California to say that he did not intend to have the bill acted on this afternoon?

Mr. KNOWLAND. The bill has been made the unfinished business, and will be taken up tomorrow immediately following the morning hour, ahead of the housing legislation or any other major legislation.

I think, under the circumstances, since I have given notice that no action would be taken on additional bills tonight, it might be just as well to hold the amendment to the bill at the desk.

Mr. CARLSON. I thank the Senator from California.

RECESS

Mr. KNOWLAND. Mr. President, if there is no further business to be considered, I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 53 minutes p. m.) the Senate took a recess until tomorrow, Thursday, June 3, 1954, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate June 2 (legislative day of May 13), 1954:

IN THE NAVY

The following-named (Naval ROTC) to be ensigns in the Navy, subject to qualification therefor as provided by law:

Gerald H. Smith, Jr.

Edwin C. Welch, Jr.

Wilbur K. Brown (Naval ROTC) to be ensign in the Navy as previously nominated and confirmed, to correct name, subject to qualification therefor as provided by law.

The following-named Reserve officers to be lieutenants (junior grade) in the Medical Corps in the Navy, subject to qualification therefor as provided by law:

Richard E. Brewster

Richard G. Davis

Daniel C. Good

William R. Walker, midshipman (Naval Academy), to be ensign in the Navy as previously nominated and confirmed, to correct name, subject to qualification therefor as provided by law.

Sylvester S. Wisniewski (Naval ROTC) to be ensign in the Navy as previously nominated, to correct name, subject to qualification therefor as provided by law.

Richard R. Smith (Reserve officer) to be lieutenant (junior grade) in the Chaplain Corps in the Navy, subject to qualification therefor as provided by law.

The following-named officers to be lieutenants (junior grade) in the Navy (special-duty officers) subject to qualification therefor as provided by law:

William F. Cole, Jr. William E. Merritt III

James W. Corley Leo F. O'Brien

John F. X. Finn, Jr. Lawrence E. Phillips

IN THE NAVY AND MARINE CORPS

Edward C. Goodman, Jr., midshipman (Naval Academy), to be ensign in the Navy, in lieu of second lieutenant in the Marine Corps as previously nominated and confirmed, subject to qualification therefor as provided by law.

David C. Jenkins, midshipman (Naval Academy), to be second lieutenant in the Marine Corps, in lieu of ensign in the Navy as previously nominated and confirmed, subject to qualification therefor as provided by law.

Robert W. Eich (Naval ROTC) to be ensign in the Navy, subject to qualification therefor as provided by law.

James R. Stewart, Jr. (Naval ROTC) to be second lieutenant in the Marine Corps, subject to qualification therefor as provided by law.

The following-named Reserve officers to be second lieutenants in the Marine Corps, subject to qualification therefor as provided by law:

Leon N. Angelo

Joseph A. Como

Bernard W. Hungerford

William E. Miller

Lyndon L. Pearson

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued June 4, 1954
For actions of June 3, 1954
83rd-2nd, No. 102

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HIGHLIGHTS: Senate passed housing bill, including provision to extend rural housing program. Senate committee reported bills to extend Commodity Exchange Act to onions and increase fees, authorize additional contract research, authorize banks for cooperatives to issue consolidated debentures, and modify peanut allotment legislation. House committee reported bills to amend Farm Tenant Act and broaden law on long-term Forest Service permits. Senate committee reported Interior appropriation bill. Sen. Wiley commended use of milk vending machines. Rep. Yorty opposed proposed cuts in Forest Service appropriations.

SENATE

- 1. HOUSING LOANS.** Passed with amendments H. R. 7839, the omnibus housing bill, which includes a provision continuing the rural housing program administered by this Department (pp. 7183-200). Senate conferees were appointed (p. 7200). Agreed to a Monroney amendment authorizing the Federal Housing Administration "to insure any mortgage issued with respect to the construction of a farm home on a plot of land 5 or more acres in size adjacent to a public highway, the total amount of insurance outstanding at any one time under this proviso not to exceed \$100,000,000" (p. 7200).
- 2. COMMODITY EXCHANGES; RESEARCH; PEANUTS; FARM LOANS; LAND TRANSFERS.** Reported the bills which were listed in Digest 101, item 2, as having been ordered reported the day before. These are: S. 2367 (S. Rept. 1495), S. 2715 (S. Rept. 1496), S. 3207 (S. Rept. 1497), S. 3457 (S. Rept. 1499), H. R. 4017 (S. Rept. 1500), S. J. Res. 134 (S. Rept. 1501), H. R. 6435 (S. Rept. 1502), H. R. 107 (S. Rept. 1503), (p. 7170.)
- 3. PERSONNEL; DISBURSING.** Passed with amendment S. 2728, to provide for withholding pay of Government employees indebted to the U. S. as the result of erroneous payment. Agreed to a Cooper amendment providing that the deduction for any period shall generally not exceed 2/3 of the pay from which the deduction is made. (pp. 7179-80.)
- 4. INTERIOR APPROPRIATION BILL, 1955.** The Appropriations Committee reported with amendments this bill, H. R. 8680 (S. Rept. 1506) (p. 7171).

5. NOMINATIONS. Confirmed the nominations of Messrs. McLaughlin, Merck, Morris, Houston, Macelwane, Whitaker, Hesburgh, and Adams to the National Science Board, National Science Administration, for the term expiring May 10, 1960 (pp. 7169, 7206).
6. BUILDINGS. Sen. Bush was substituted for Sen. Kuchel as a conferee on H. R. 6342, the lease-purchase buildings bill (p. 7203).
7. SOIL CONSERVATION. Sen. Carlson commended the Hope-Aiken watershed bill and inserted a Kans. Livestock Assn. statement on this matter (p. 7170).
8. DAIRY INDUSTRY. Sen. Wiley commended the use of milk vending machines as "a key to dairy prosperity" and inserted a Farm Bureau statement on this matter (p. 7201).
9. TARIFFS. Sen. Malone recommended additional tariff protection (pp. 7201-2).

HOUSE

10. FARM LOANS; FORESTRY; LAND TRANSFER. The Agriculture Committee reported with amendment S. 1276, to amend the Bankhead-Jones Farm Tenant Act in order to authorize increased interest rates, etc. (H. Rept. 1741); H. R. 2762, to broaden the Secretary's authority to permit use and occupation of national forest lands (H. Rept. 1742); and H. R. 4928, which directs conveyance of 15 acres of lands of the U. S. Animal Quarantine Station at Clifton, N. J., to the city for 50% of value (H. Rept. 1743) (p. 7222).
11. LABOR-HEW APPROPRIATION BILL, 1955. The Appropriations Committee was authorized to report this bill during adjournment of the House today (p. 7208).
12. COFFEE PRICES. Rep. Sullivan claimed the so-called "coffee shortage" is a "hoax" (pp. 7219-21).
13. ADJOURNED until Mon., June 7 (p. 7221). Legislative program for next week, as announced by Majority Whip Arends: Mon., Consent Calendar; Tues., Private Calendar; followed by Labor-HEW appropriation bill (p. 7211).
14. VEHICLES; FURNITURE. In reporting H. R. 8753 (see Digest 99), the Government Operations Committee stated: "The objection raised concerning GSA having the final decision for participation in motor-vehicle pools, and the objection raised by certain investigative agencies that the performance of their duties would be seriously interfered with by participation in a general motor pool, is believed to be rectified by committee amendment which places this authority in the President in the event of a disagreement between GSA and the agency involved. The objection raised concerning the inclusion of office equipment for pooling purposes, was resolved by striking 'office equipment' from the bill."

BILLS INTRODUCED

15. WATER RESOURCES. S. 3552, by Sen. Butler, Nebr., to authorize the Secretary of the Interior to investigate and report to Congress on the conservation, development, and utilization of the water resources of Alaska; to Interior and Insular Affairs Committee (p. 7171).
16. UNEMPLOYMENT COMPENSATION. S. 3553, by Sen. Douglas (for himself and others), to revise the unemployment insurance program; to Finance Committee (p. 7171). Remarks of author (pp. 7171-5). Also H. R. 9430, by Rep. Forand; to Ways and Means Committee (p. 7223). Remarks of author (pp. A4167-73).

row, Adm. Robert B. Carney, the Chief of Naval Operations, told us that it might come far sooner than is generally realized. "The danger is imminent and it is increasing swiftly," he said.

There is no doubt that a few months ago the American people were confused by the situation in Indochina. Some of the same persons who now are expressing such deep concern were then confusing our people by statements of unwarranted optimism. But there seems to be no doubt whatsoever that our people are well aware of the crucial importance of the struggle in that area today.

What the American people need to be told now is what the policy of this administration is in relation to the war in Indochina. We have been informed that the United States does as a matter of fact have a concrete policy in regard to our participation in that struggle against the aggression of communism. But I do not know what that policy is. The American people do not know what that policy is.

Why is it that if such a policy does in fact exist the Congress and the American people have not been told what it is?

We are told that administration leaders are fearful of the possible reaction on the part of Congress and the people. Yet we know of no instance when, in the face of danger, either the Congress or the people of the United States ever failed to do their duty when they possessed the facts.

We are told that some leaders in the administration are fearful of the effects of more active participation by the United States in the war in Indochina on Republican election prospects.

To this I say that anything as serious as war has no business in politics. The decisions before this country are far too grave for them to wait on elections.

We have seen all too recently the effect of politics on war. The war in Korea became a political football. The decision to call a halt to it was largely a political decision and that decision led directly to the increased pressures in Indochina.

We are informed by a reliable newspaper that orders for the reimposition of controls on industry and commodities are all drawn up. We are told that the Office of Defense Mobilization is holding up the printing of 200 million ration books because of fear of public opinion. Doubtless these preparations are only common prudence. If this is the case they can be explained as such. The administration, however, tells the people nothing.

It is time the people knew what this country faces. It is past time for simple candor. If the administration will forget the generalities with which we have been so liberally supplied, and let the people know the precise alternatives and the means proposed to deal with them, it will have the support of the people. If the administration proposes to do what is necessary and what is right the Nation will back it, as in such circumstances the Nation always reacts.

Military leaders of five nations will convene here this week to determine the military possibilities in Indochina. Soon

thereafter decisions will have to be made on higher levels as to the implementation of the conclusions reached by these military leaders.

We can only hope that when these decisions are made, that the governments of all the free nations of that part of Asia are included in our counsels. We can only hope that decisions involving increased intervention, if made, will be carried out in the framework of the United Nations. What is most important, however, is that the American people be told the truth and all the truth.

A limited intervention involving only naval and air forces has been widely predicted. If this is the case, the American people ought to be told, and must be told, what the chances are that such limited intervention can stay limited. They ought to be told what the chances are that greater intervention in Indochina may lead to the reopening of the war in Korea.

These are questions of such gravity, Mr. President, that it is not only foolhardy but dangerous in the extreme to keep the American people in darkness. The decisions which must be made, sooner perhaps than many people believe, must be national decisions. Let the people of the United States have the truth, the simple truth. They can be counted on to do their duty. They always have.

COLLECTION OF INDEBTEDNESS OF MILITARY AND CIVILIAN PERSONNEL

The Senate resumed the consideration of the bill (S. 2728) to authorize the collection of indebtedness of military and civilian personnel resulting from erroneous payments, and for other purposes.

AMENDMENT TO CHARTER OF COLUMBIA INSTITUTION FOR THE DEAF

Mr. KNOWLAND. Mr. President, there is on the calendar a bill which should be passed before the 4th of the month, which is the anniversary date of the Columbia Institution for the Deaf. I have consulted with the minority leader. The bill is House bill 6655, Calendar No. 1491. I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 1491, House bill 6655.

The PRESIDENT pro tempore. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 6655) to amend the charter of the Columbia Institution for the Deaf, change its name, define its corporate powers, and provide for its organization and administration, and for other purposes.

Mr. JOHNSON of Texas. Mr. President, the majority leader has discussed this matter with me. I think his request is a meritorious one. We have no objection to the consideration of the bill at this time, and I hope it can be passed, in order to meet the deadline.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from California?

There being no objection, the bill (H. R. 6655) was considered, ordered to a third reading, read the third time, and passed.

COLLECTION OF INDEBTEDNESS OF MILITARY AND CIVILIAN PERSONNEL

The Senate resumed the consideration of the bill (S. 2728) to authorize the collection of indebtedness of military and civilian personnel resulting from erroneous payments, and for other purposes.

Mr. CARLSON. Mr. President, Senate bill 2728, a bill to authorize the collection of indebtedness of military and civilian personnel resulting from erroneous payments, and for other purposes, comes before the Senate with a favorable report from the Committee on Post Office and Civil Service.

The purpose of this proposed legislation is to provide authority to the head of a department or agency to withhold from moneys due to employees of the United States, or any member of the Armed Forces or Reserve components thereof, amounts owed the United States as the result of erroneous payment made by a department, agency, or establishment. These overpayments would be collected by withholding in installments from the current basic pay account of the individual.

The need of this proposed legislation has been prompted by the delays in recovering erroneous payments made to Government personnel. This is especially true in the military forces where pay records and actual payment are often handled by different disbursement officers and often at different locations. Under existing regulations recovery of such amounts must now await the audit and disallowance of the General Accounting Office and are often so expensive that the collection proceedings are made ineffectual. It is believed that this proposed legislation will expedite collection of erroneous payments once they have been administratively determined but will not be conclusive on either the individual or the Government. The individual would not be deprived of his remedy to redress.

S. 2728 grants authority only to the Government to withhold current pay for erroneous payments.

Section 1 would permit the withholding of pay of any employee of the United States or any member of the Armed Forces, or a Reserve component thereof, where the secretary of the department or head of the agency or establishment concerned determines that such person is indebted to the United States as the result of an erroneous payment made by the department, agency, or establishment. Such amount to be recovered would be accomplished by the collection of installments from the current pay account of the individual.

Section 2 provides for the issuance of departmental regulations by the secretary or head of an agency or establish-

ment. Such regulations shall be approved by the Secretary of the Treasury.

Section 3 authorizes the adjustment of the appropriation of the department or agency concerned at the end of the fiscal year so as to charge any net underpayments in individual pay accounts against the appropriations for the next fiscal year. The act of February 9, 1946 (60 Stat. 3; 31 U. S. C. 634a), which now permits the Department of the Navy to make similar adjustments, would be repealed.

Section 4 insures that this legislation would have no effect upon the act of May 22, 1928 (45 Stat. 698; U. S. C. 875a) relating to deductions from the pay of Army enlisted personnel for debts due the United States.

The Bureau of the Budget and the Comptroller General recommend favorable consideration of this legislation. It was also pointed out that this legislation would cause no apparent increase in the budgetary requirements insofar as the Department of Defense is concerned.

The PRESIDING OFFICER (Mr. BUTLER of Maryland in the chair). The bill is open to amendment.

Mr. CARLSON. Mr. President, the Senator from Kentucky [Mr. COOPER], who is necessarily absent from the Senate, has an amendment at the desk. I have discussed the amendment with him, and although I cannot accept it as a committee amendment, personally, I am willing to accept it. Therefore, if there is no objection, I shall be glad to have the amendment stated at this time.

The PRESIDING OFFICER. The Secretary will state the amendment.

The LEGISLATIVE CLERK. On page 2, line 10, after the period, it is proposed to insert a new sentence as follows:

The amount deducted for any period shall not exceed an amount equal to two-thirds of the pay from which the deduction is made, unless the deduction of a greater amount is necessary to effect collection within the period or anticipated period of active duty or employment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. GILLETTE. Mr. President, will the Senator yield?

Mr. CARLSON. I yield.

Mr. GILLETTE. I should like to ask several questions with respect to the proposed legislation. As I understood the Senator from Kansas, the bill would provide for the deduction from payments to Federal employees, both military and civilian, of moneys paid to them erroneously.

Mr. CARLSON. The Senator is correct.

Mr. GILLETTE. Who makes the decision as to whether a payment has been erroneously made?

Mr. CARLSON. The department or agency head must determine that the indebtedness exists and that the payment was an erroneous payment. If the employee is dissatisfied he has the right of appeal to the General Accounting Office or to the Court of Claims.

Mr. GILLETTE. The employee has an appeal from what decision?

Mr. CARLSON. From the decision of the officer in charge of the agency or the head of the department.

Mr. GILLETTE. Let me put a hypothetical question to the Senator from Kansas. Let us suppose that in the case of a man in the military service certain payments have been made to one of his dependents, perhaps his wife, and the marriage has been dissolved by divorce, but by mistake the payments have gone to the wife, when, as a matter of fact, the man has made his mother the beneficiary. Does that mean that the man is responsible and that there must be deducted from his pay money which has been paid because of an error on the part of the department and that he must make double payment?

Mr. CARLSON. No; it will not mean that he will have to make a double payment. Under existing opinions of the Judge Advocate General recoupment cannot be made where the individual derived no benefit. At the present, evidence of erroneous payment is sent to the General Accounting Office, and after months of study a demand for payment is made on the individual and he is then forced to begin making restitution. Quite often he is no longer in the service of the Government. Frequently such a situation is very embarrassing and causes undue hardship. It would be much better to give a civilian employee or a member of the military service the opportunity to clear up the matter while he was still in the service of the Government.

The suggested procedure will not cost the Government any more money. The idea of the bill is to take care of such situations while the employee is in a position to do so, instead of letting the matter wait until he is out of the service and has probably forgotten all about the payment. From the standpoint of the individual employee himself, I believe it will be of great benefit to him to have the matter cleared up while he is still in the military service or the civilian service of the Government.

Mr. GILLETTE. Is the Senator from Kansas convinced, and are the Senators who worked with him on the bill convinced, that the bill affords no opportunity to impose on an individual who disputes the claim that a payment was made erroneously?

Mr. CARLSON. The Senator from Kansas will state to the distinguished Senator from Iowa that we held two hearings on the pending bill, because I was as greatly concerned about the problem as is the distinguished Senator. The committee is convinced that it has taken all the precautions that are necessary to be taken in the situation.

Mr. GILLETTE. I thank the Senator. The PRESIDING OFFICER. The bill is open to amendment. If there be no further amendment to be offered the question is on the engrossment and third reading of the bill.

The bill (S. 2728) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, when it is determined by the Secretary of the department

concerned or the head of the agency or independent establishment concerned, or one of their designees, that an employee of the United States or any member of the Army, Navy, Air Force, Marine Corps, or Coast Guard, or a reserve component thereof, is indebted to the United States as the result of any erroneous payment made by the department, agency, or independent establishment concerned to or on behalf of any such person, the amount of the indebtedness may be collected in monthly installments, or at officially established regular pay period intervals, by deduction in reasonable amounts from the current pay account of such person. The deductions may be made only from basic compensation, basic pay, special pay, and incentive pay, retired pay, retainer pay, or in the case of persons not entitled to basic pay, other authorized pay. Collection shall be effected over a period not greater than the anticipated period of active duty or period of employment, as the case may be. The amount deducted for any period shall not exceed an amount equal to two-thirds of the pay from which the deduction is made, unless the deduction of a greater amount is necessary to effect collection within the period or anticipated period of active duty or employment. If such individual retires, resigns, or his employment or period of active duty is otherwise terminated before such adjustment has been completed, adjustment shall be made by decreasing subsequent payments, of whatever nature, due such person by the department, agency, or independent establishment concerned. Nothing in this section shall modify any existing law which provides for forfeiture of pay or allowances.

SEC. 2. Each Secretary of a department, or head of an agency or independent establishment, as appropriate, shall prescribe regulations to carry out the purposes of this act. Such regulations shall be approved by the Secretary of the Treasury. Regulations prescribed by the Secretaries of the Army, Navy, and Air Force shall be uniform for the military services insofar as practicable.

SEC. 3. (a) In accordance with settlement procedures prescribed by the Comptroller General of the United States, the Secretary of the department concerned or the head of the agency or independent establishment concerned is authorized to charge the net amount of the unpaid and overpaid balances occurring in individual pay accounts against the appropriation for the fiscal year in which the balances occurred, and from which the amount was payable, and the net amount shall be credited to and paid from the corresponding appropriation for the next succeeding fiscal year.

(b) The act of February 9, 1946 (ch. 2, 60 Stat. 3) is repealed.

SEC. 4. Nothing contained in this act shall be construed as repealing, amending, or modifying in any way the provisions of the act of May 22, 1928 (ch. 676, 45 Stat. 698).

RENEWAL AND ADJUSTMENT OF COMPENSATION FOR CARRYING MAIL ON WATER ROUTES

Mr. BUSH. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 936, Senate bill 361.

The PRESIDING OFFICER. The Secretary will state the bill by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 361) to provide for renewal of and adjustment of compensation under contracts for carrying mail on water routes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Connecticut.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued June 23, 1954
For actions of June 22, 1954
83rd-2nd, No. 115

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HIGHLIGHTS: House received conference report on agricultural appropriation bill. Senate passed watershed bill. House passed forest-land use bill. Surplus commodities bill was sent to conference. Senate debated trade agreements bill. Senate committees reported tax revision bill and Labor-HEW appropriation bill. Both Houses agreed to conference report on Army flood-control appropriation bill, but Sen. Long entered motion to reconsider. Rep. Neal criticized surplus commodities bill and high price supports. Senate committee made decisions on farm program bill. Senate committee voted to report Federal employees' life insurance bill.

HOUSE

1. AGRICULTURAL APPROPRIATION BILL, 1955. Received the conference report on this bill, H. R. 8779 (pp. 8187-9). Attached to this Digest are statements pertaining to the measure.
2. SURPLUS COMMODITIES. Reps. Hope, Andresen, Hill, Cooley, and Poage, and Sens. Aiken, Young, Thye, Hickenlooper, Schoeppel, Ellender, Johnston, Holland, and Anderson were appointed conferees on S. 2475, to aid in disposal of surplus agricultural commodities (pp. 8142-4, 8233-4).
3. FLOOD-CONTROL APPROPRIATIONS. Both Houses agreed to the conference report on H. R. 8367, the Army civil functions appropriation bill for 1955, which includes flood-control items; but Sen. Long entered a motion to reconsider the Senate vote (pp. 8155-8, 8209-10).
4. FORESTRY. Passed as reported H. R. 2762, to revise the authority of the Department to issue permits for construction on and use of areas within the national forests for various purposes connected with commercial and industrial development, public use by State and other governmental agencies, and for educational

and recreational purposes (p. 8193).

The Government Operations Committee submitted reports on "The Government in Business -- Commissaries -- Forest Service -- Part 3" (H. Rept. 1908) and "The Government in Business -- Sawmills -- Part 4" (H. Rept. 1909)(p. 8241).

5. DISBURSING; PAYROLLING. Agreed to the conference report on S. 2844, to make permanent the authority for U. S. disbursing officers to perform certain financial transactions, such as payments in foreign currencies in connection with foreign duty (p. 8208).

Passed with amendment S. 2728, to authorize collection of indebtedness of Government personnel resulting from erroneous payments (pp. 8208-9).

6. LAND TRANSFERS. Concurred in the Senate amendments to H. J. Res. 458, to direct USDA to quitclaim retained rights in a tract of former FHA land to the Board of Education of Irwin County, Ga. (p. 8189). This measure will now be sent to the President.

Passed as reported H. R. 4928, to authorize sale of a tract of land at the U. S. Animal Quarantine Station to Clifton, N. J. (p. 8193).

7. RECLAMATION. Passed without amendment H. R. 8027, to extend for 3 years the time during which the Secretary of the Interior may enter into amendatory repayment contracts under the Federal reclamation laws (p. 8198).

8. PHILIPPINE IMPORTS. Discussed and, at the request of Rep. Bonner, passed over H. R. 9315, to provide for an extension on a reciprocal basis of the period of free entry of Philippine articles into the U. S. Rep. Bonner objected to the bill because the Philippine Government has rejected a bill to remove the restrictions on importation of Virginia leaf tobacco into the Philippines. (pp. 8206-7.)

9. EDUCATION. House conferees were appointed on H. R. 9040, to authorize cooperative research in education, and H. R. 7434, to establish a National Advisory Committee on Education (p. 8225). Senate conferees have been appointed.

10. BUILDINGS. The conferees agreed to file a report on H. R. 6342, to authorize purchase contracts for the erection of new Federal buildings (p. D721).

Rep. McCormack commended the service of William E. Reynolds, Commissioner of the Public Buildings Service (p. 8237).

11. FOREIGN TRADE. Rep. Williams, N. J., spoke in favor of expansion of foreign trade and the Randall Commission recommendations (pp. 8225-33).

12. BANKING AND CURRENCY. Rep. Patman criticized the current policies regarding Federal Reserve requirements, etc. (pp. 8237-9).

13. STOCKPILING APPROPRIATIONS. Received from the President a supplemental appropriation estimate of \$380,000,000 for 1955 for stockpiling strategic and critical materials (H. Doc. 441)(p. 8240).

14. VIRGIN ISLANDS. Passed with amendments S. 3378, to revise the organic act of the Virgin Islands (pp. 8210-22). No change was made in the provision regarding importation of diseased animals.

15. FARM LOANS. Passed as reported H. R. 5997, to provide that the Hawaii Legislature may authorize the issuance of general obligation bonds for purchase and making of mortgages on homes and farms of veterans (p. 8197).

viding for the continuation of the charter for another year pending this very question. Therefore, Mr. Speaker, I will have to object to the immediate consideration of this bill.

Mr. COOLEY. Will the gentleman reserve that objection for a moment? I would like to ask a question of the distinguished chairman of the Committee on Ways and Means.

Mr. BONNER. Yes; I withhold my objection, Mr. Speaker.

Mr. COOLEY. During this 18 months' period will further studies be conducted with regard to the Philippine Act? I assume that is true.

Mr. REED of New York. That is true.

Mr. COOLEY. Will those studies be considered by the gentleman's committee, the legislative branch of the Government, or will the studies be considered by the executive branch of the Government?

Mr. REED of New York. They have always been conducted by the executive branch of the Government.

Mr. COOLEY. Back in 1934, I believe it was, or somewhere along there, we passed an act which authorized the creation of a joint committee composed of 3 Members of the House, 3 Members of the Senate, and 3 members of the executive branch. That is my recollection. That committee never functioned. It seems to me it would be well if the gentleman's committee, which is composed of experts in this particular field, would conduct the studies that ought to be made, even if they have to be made in collaboration with representatives of the executive branch of the Government, so that the gentleman's committee will know whether or not these acts or the provisions thereof are being complied with. We know definitely that this positive act on the part of the Government of the Philippines was directly aimed at American-grown Virginia-type tobacco, which is produced in our State. I am bound to say it is a violation of the spirit of the Trade Act even though it might not be a violation of the letter.

Mr. BONNER. Let me say to the gentleman from New York that I have great respect for him and his committee, and it is no pleasure to me to be in the position I find myself today, and it is my desire to see the Philippine Trade Act renewed. However, Mr. Speaker, I object to the present consideration of the bill.

ATTORNEY'S FEES PROVISIO

Mr. JONAS of Illinois. Mr. Speaker, I ask unanimous consent to insert at this point in the RECORD a statement.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. JONAS of Illinois. Mr. Speaker, the Senate Judiciary Committee has amended a number of bills which have been reported by the subcommittee of which I am chairman, and approved by the House Judiciary Committee, and ultimately passed by the House. The amendment is to delete the 10-percent limitation on attorney's fees, a proviso which is appended to every bill we report

which carries an appropriation. The Senate committee amendment provides that no attorney's fees may be paid out of the appropriation.

The House Judiciary Committee does not approve of this action on the part of the Senate committee, for we regard the proviso as a protective measure. However, in the bills we have checked and determined there was no attorney involved, we are concurring in the Senate amendment, in order to avoid delay to the claimant's receipt of the amount to which he has been found to be entitled.

In cases where it is established that attorney's fees were earned or contracted for, we intend to have a conference with the Senate committee, for the purpose of arriving at a mutually acceptable policy regarding this protective proviso.

CHESTER H. TUCK ET AL.

Mr. JONAS of Illinois. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk, the bill (H. R. 724) for the relief of Chester H. Tuck, Mary Elizabeth Fisher, James Thomas Harper, and Mrs. T. W. Bennett, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Page 2, lines 13 and 14, strike out "for the payment of any one claim in excess of 10 percent thereof."

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Senate amendment was concurred in, and a motion to reconsider was laid on the table.

RICHARD A. KURTH

Mr. JONAS of Illinois. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1364) for the relief of Richard A. Kurth, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, line 7, after "States", insert "": *Provided*, That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Senate amendment was concurred in, and a motion to reconsider was laid on the table.

FRANK L. MCCARTHA

Mr. JONAS of Illinois. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 2421)

for the relief of Frank L. McCarthy, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, line 10, preceding "shall", insert "other than hospital and medical expenses actually incurred."

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Senate amendment was concurred in, and a motion to reconsider was laid on the table.

CARL A. ANNIS ET AL.

Mr. JONAS of Illinois. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 2678) for the relief of Carl A. Annis, Wayne C. Cranney, and Leslie O. Yarwood, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, lines 4 and 5, strike out "for the payment of any one claim in excess of 10 percent thereof."

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Senate amendment was concurred in, and a motion to reconsider was laid on the table.

WILLARD CHESTER CAULEY

Mr. JONAS of Illinois. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk, the bill (H. R. 3623) for the relief of Willard Chester Cauley, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, line 5, strike out "in excess of 10 percent thereof."

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Senate amendment was concurred in, and a motion to reconsider was laid on the table.

RALPH S. PEARMAN ET AL.

Mr. JONAS of Illinois. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk, the bill (H. R. 4919) for the relief of Ralph S. Pearman and others, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 4, line 8, strike out "in excess of 10 percent of any claim."

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Senate amendment was concurred in, and a motion to reconsider was laid on the table.

PAUL G. KENDALL

Mr. JONAS of Illinois. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 5025) for the relief of Paul G. Kendall, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Page 2, lines 5 and 6, strike out "in excess of 10 percent thereof."

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Senate amendment was concurred in, and a motion to reconsider was laid on the table.

DUNCAN M. CHALMERS ET AL.

Mr. JONAS of Illinois. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk, the bill (H. R. 6196) for the relief of Duncan M. Chalmers, and certain other persons, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Page 3, line 6, strike out "in excess of 10 percent thereof."

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Senate amendment was concurred in, and a motion to reconsider was laid on the table.

PERSONAL EXPLANATION

(Mr. VURSELL asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. VURSELL. Mr. Speaker, since it will be impossible for me to be present tomorrow when the conference committee reports on the agriculture appropriation bill I should like for the record to show that I favor the report, and if it were possible for me to be present I would vote for the additional \$35 million loan authorization carried in the report for REA.

AUTHORIZING CERTAIN TRANSACTIONS BY DISBURSING OFFICERS OF THE UNITED STATES

Mr. HOFFMAN of Michigan submitted the following conference report and statement on the bill (S. 2844), an act to amend the act of December 23, 1944, authorizing certain transactions by disbursing officers of the United States, and for other purposes:

CONFERENCE REPORT (H. REPT. NO. 1900)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S.

2844) to amend the act of December 23, 1944, to make permanent the authorization for certain transactions by disbursing officers of the United States, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same.

CLARE E. HOFFMAN,
JEFFREY P. HILLELSON,
GLENARD P. LIPSCOMB,
WILLIAM L. DAWSON,
JOHN W. MCCORMACK,

Managers on the Part of the House.

HOMER E. CAPEHART,
WALLACE F. BENNETT,
BARRY GOLDWATER,
BURNET R. MAYBANK,
J. W. FULBRIGHT,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2844) to amend the act of December 23, 1944, to make permanent the authorization for certain transactions by disbursing officers of the United States, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to such amendment, namely:

The bill as passed by the Senate would continue for 1 year, until June 30, 1955, the authorization to disbursing officers of the United States for certain financial transactions—payments in foreign currencies in connection with military and civilian activities of the United States throughout the world. This authority was first granted under the act of December 23, 1944 (58 Stat. 921), and has been periodically extended each year, the present authority expiring on June 30, 1954.

The House amended the bill to make such authority permanent by deleting the termination provision of the act.

After conference, the Senate receded from its disagreement to the House amendment and agreed to make the legislation permanent.

CLARE E. HOFFMAN,
JEFFREY P. HILLELSON,
GLENARD P. LIPSCOMB,
WILLIAM L. DAWSON,
JOHN W. MCCORMACK,

Managers on the Part of the House.

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill S. 2844.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the title of the bill.

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the statement as above set out.

The SPEAKER. The question is on the conference report.

The conference report was agreed to, and a motion to reconsider was laid on the table.

COLLECTION OF INDEBTEDNESS OF MILITARY AND CIVILIAN PERSONNEL RESULTING FROM ERRONEOUS PAYMENTS

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2728) to authorize the collection of indebtedness of military and civilian personnel resulting from erroneous payments, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. KARSTEN of Missouri. Reserving the right to object, Mr. Speaker, will the gentleman state whether this bill has been taken up in the House committee?

Mr. HOFFMAN of Michigan. It has.

Mr. KARSTEN of Missouri. And is this the bill that was unanimously reported?

Mr. HOFFMAN of Michigan. That is correct.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, when it is determined by the Secretary of the department concerned or the head of the agency or independent establishment concerned, or one of their designees, that an employee of the United States or any member of the Army, Navy, Air Force, Marine Corps, or Coast Guard, or a reserve component thereof, is indebted to the United States as the result of any erroneous payment made by the department, agency, or independent establishment concerned to or on behalf of any such person, the amount of the indebtedness may be collected in monthly installments, or at officially established regular pay period intervals, by deduction in reasonable amounts from the current pay account of such person. The deductions may be made only from basic compensation, basic pay, special pay, and incentive pay, retired pay, retainer pay, or in the case of persons not entitled to basic pay, other authorized pay. Collection shall be effected over a period not greater than the anticipated period of active duty or period of employment, as the case may be. The amount deducted for any period shall not exceed an amount equal to two-thirds of the pay from which the deduction is made, unless the deduction of a greater amount is necessary to effect collection within the period or anticipated period of active duty or employment. If such individual retires, resigns, or his employment or period of active duty is otherwise terminated before such adjustment has been completed, adjustment shall be made by decreasing subsequent payments, of whatever nature, due such person by the department, agency, or independent establishment concerned. Nothing in this section shall modify any existing law which provides for forfeiture of pay or allowances.

SEC. 2. Each Secretary of a department, or head of an agency or independent establishment, as appropriate, shall prescribe regulations to carry out the purposes of this Act. Such regulations shall be approved by the Secretary of the Treasury. Regulations prescribed by the Secretaries of the Army, Navy, and Air Force shall be uniform for the military services insofar as practicable.

SEC. 3. (a) In accordance with settlement procedures prescribed by the Comptroller General of the United States, the Secretary of the department concerned or the head of the agency or independent establishment con-

cerned is authorized to charge the net amount of the unpaid and overpaid balances occurring in individual pay accounts against the appropriation for the fiscal year in which the balances occurred, and from which the amount was payable, and the net amount shall be credited to and paid from the corresponding appropriation for the next succeeding fiscal year.

(b) The act of February 9, 1946 (ch. 2, 60 Stat. 3) is repealed.

Sec. 4. Nothing contained in this Act shall be construed as repealing, amending, or modifying in any way the provisions of the act of May 22, 1928 (ch. 676, 45 Stat. 698).

Mr. HOFFMAN of Michigan. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOFFMAN of Michigan: On page 3, line 1, strike out the words "Secretary of the Treasury" and insert the words "Director of the Bureau of the Budget."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 7477) was laid on the table.

CIVIL FUNCTIONS APPROPRIATION BILL, 1955

Mr. DAVIS of Wisconsin. Mr. Speaker, I call up the conference report on the bill (H. R. 8367) making appropriations for civil functions administered by the Department of the Army for the fiscal year ending June 30, 1955, and for other purposes; and I ask unanimous consent that the statement on the part of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The Clerk read the statement.

For conference report and statement, see proceedings of the House June 21, 1954.)

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 5: Page 3, line 23, insert "": *Provided further*, That not to exceed \$750,000 of the funds appropriated herein may at the discretion and under the direction of the Chief of Engineers be used in payment to the accounts of the Confederated Tribes of the Yakima Reservation; the Confederated Tribes of the Warm Springs Reservation; the Confederated Tribes of the Umatilla Reservation; or other recognized Indian tribes, and those individual Indians not enrolled in any recognized tribe, but who through domicile at or in the immediate vicinity of the reservoir and through custom and usage are found to have an equitable interest in the fishery, all of whose fishing rights and interests will be impaired by the Government incident to the construction, operation, or maintenance of the Dalles Dam, Columbia River, Wash., and Oreg., and must be subordinated thereto by agreement or litigation."

Mr. DAVIS of Wisconsin. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement. The Clerk read as follows:

Senate amendment No. 7: Page 5, line 4, insert "": including such sums as may be necessary for the maintenance of harbor channels, provided by a State, municipality, or other public agency, outside of harbor lines, and serving essential needs of general commerce and navigation."

Mr. DAVIS of Wisconsin. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement. The Clerk read as follows:

Senate amendment No. 12: Page 7, line 22, insert "": residence for the Governor."

Mr. DAVIS of Wisconsin. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement. The Clerk read as follows:

Senate amendment No. 13: Page 12, line 15, insert:

"SEC. 105. Hereafter appropriations of the Military Department shall be available for the reimbursement of the Canal Zone Government for the cost of providing, in facilities operated by the Canal Zone Government, medical care, other than subsistence of dependents of military personnel."

Mr. DAVIS of Wisconsin. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. DAVIS of Wisconsin moves that the House recede from its disagreement to the amendment of the Senate numbered 13, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

"SEC. 105. Hereafter appropriations of the Department of Defense available for medical care shall be available for the reimbursement of the Canal Zone Government for the cost of providing medical care for dependents of military personnel (to the extent that such care heretofore has been provided) in facilities operated by the Canal Zone Government."

"The Department of the Navy is authorized and directed to transfer to the Canal Zone Government, without exchange of funds, all of the land, facilities, buildings, structures, equipment, furniture, and improvements of or pertaining to the Naval Hospital, Coco Solo, Canal Zone: *Provided*, That the amount representing the fair value to the Canal Zone Government of the transferred property shall, when approved by the Director, Bureau of the Budget, be added to the investment of the United States in the Canal Zone Government."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 14: Page 12, line 20, insert:

"SEC. 106. No appropriation or fund available to the Department of Defense shall be used after (September 1), 1954, for the maintenance and operation of hospitals in the Canal Zone."

Mr. DAVIS of Wisconsin. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. DAVIS of Wisconsin moves that the House recede from its disagreement to the amendment of the Senate numbered 14, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

"SEC. 106. No appropriation or fund available to the Department of Defense shall be used after September 1, 1954, for the maintenance and operation of hospitals in the Canal Zone."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 16: Page 13, line 2, strike out all of lines 2 to 6 inclusive and insert "to read as follows:

"SEC. 105. Amounts expended by the Panama Canal Company in maintaining defense facilities in standby condition for the Department of Defense hereafter shall, notwithstanding any other provisions of law, be fully reimbursable to the Panama Canal Company by the Department of Defense. Amounts expended by the Canal Zone Government for furnishing education, and hospital and medical care to employees of agencies of the United States and their dependents, other than the Panama Canal Company and Canal Zone Government, less amounts payable by such employees and their dependents hereafter shall, notwithstanding any other provision of law, be fully reimbursable to the Canal Zone Government by such agencies. The appropriation or fund of any such other agency bearing the cost of the compensation of the employee concerned is hereby made available for such reimbursements."

Mr. DAVIS of Wisconsin. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

(Mr. DAVIS of Wisconsin asked and was given permission to extend his remarks at this point.)

Mr. DAVIS of Wisconsin. Mr. Speaker, this conference report carries an appropriation of \$457,071,300. This amount is \$8,088,700 lower than the budget figures submitted by the President and represents very close to an even split between the amount carried in the bill when it passed the House and the amount of the bill as it passed the Senate. Specifically, it is \$27,024,200 beneath the Senate-passed bill and \$26,087,600 above the measure which passed the House.

With the exception of a very small planning item at South Beloit, Ill., every item for planning and construction which was included in the House bill is included in the conference report.

There are three planning projects included in the conference report which were not carried in the House bill. These are the Amherstberg Channel in Michigan, the Carlyle Reservoir in Illinois, and the Otter Brook Reservoir in New Hampshire.

The following construction projects are included in the conference report which were not carried in the bill at the time it passed the House: Kodiak Harbor, Alaska; Ozan Creek, Ark.; Crescent City Harbor, Calif.; Jennings Beach, Conn.; Toronto Reservoir, Kans.; Plaquemine-Morgan City, alternate route of Gulf Intracoastal Waterway, La.; Table

Rock Reservoir, Mo. and Ark.; New Cumberland locks and dam, Ohio, and W. Va.; Ferrell's Bridge Reservoir, Tex.; Winby Creek, Va.

Mr. Speaker, this represents a reasonable compromise between the positions of the House and the Senate on this measure. The conference report is unanimous and I urge its adoption by the House.

WILLMORE ENGINEERING CO.

Mr. JONAS of Illinois. Mr. Speaker, I call up the conference report on the bill (H. R. 7258) for the relief of the Willmore Engineering Co., and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

(For conference report and statement, see proceedings of the House of June 15.)

The SPEAKER. The question is on the conference report.

The conference report was agreed to, and a motion to reconsider was laid on the table.

CORRECTION OF RECORD

Mr. COOLEY. Mr. Speaker, I ask that the following correction be made in the CONGRESSIONAL RECORD, page 7832, last column, third paragraph. I am quoted as having said in connection with the "Operation Reindeer" of the Foreign Operations Administration, "I do not want to say that the chairman of the Foreign Affairs Committee, the gentleman from Illinois [Mr. CHIPERFIELD] cooperated when I asked for information." As a matter of fact, I said, "I want to say that the chairman of the Foreign Affairs Committee, the gentleman from Illinois [Mr. CHIPERFIELD] cooperated when I asked for information."

I should like to make this correction and emphasize that the distinguished chairman of the committee cooperated with me in every way in trying to ascertain the true facts and in getting the letter declassified which the President wrote to the committee about the Christmas program and in making it available.

The SPEAKER. Without objection, the RECORD will be corrected accordingly. There was no objection.

REVISION OF THE ORGANIC ACT OF THE VIRGIN ISLANDS

Mr. ALLEN of Illinois. Mr. Speaker, I call up House Resolution 584 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5181) to revise the Organic Act of the Virgin Islands of the United States, and all points of order against said bill are hereby

waived. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the substitute amendment recommended by the Committee on Interior and Insular Affairs now in the bill, and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommend with or without instructions.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 30 minutes of my time to the gentleman from Virginia [Mr. SMITH], and at this time I yield myself such time as I may consume.

Mr. Speaker, I rise to urge the adoption of House Resolution 584, which will make in order the consideration of the bill H. R. 5181, to revise the Organic Act of the Virgin Islands of the United States. House Resolution 584 provides for an open rule, waiving points of order with 1 hour of general debate.

Mr. Speaker, the Organic Act of the Virgin Islands has not been amended to any large extent since its original enactment back in 1936.

H. R. 5181, Mr. Speaker, would consolidate and unify the two municipal governments of the Virgin Islands into one governmental organization serving the islands as a whole. A unicameral legislative body would replace the two presently existing municipal councils and this consolidation would eliminate a great deal of unnecessary expense and duplication of functions which exists under the present setup.

Mr. Speaker, this bill would also provide that the proceeds of the internal revenue taxes would be returned to the treasury of the Virgin Islands. Naturally under this arrangement, Mr. Speaker, an increased measure of local self-government would be given to the people of the islands and their economy would be thus further strengthened. It is hoped that the fiscal provisions contained in this bill will obviate the necessity of Congress making annual deficit appropriations to take care of the Virgin Islands.

Mr. Speaker, this bill is a highly technical one in that the whole governmental structure of the Virgin Islands has been carefully studied by the members of the Committee on Interior and Insular Affairs. It is obvious by just reading the bill and report that very serious study has been given by the committee to both the needs and the desires of the people of these islands. The Department of State has recommended enactment of this bill and the President has also urged favorable action by the Congress in order that the welfare and needs of the Virgin Islands and its people may best be taken care of.

Mr. Speaker, I hope that the rule will be adopted and that the House will then proceed to the consideration of the bill.

Mr. SMITH of Virginia. Mr. Speaker, I have no requests on this side and I know of no opposition to the rule.

Mr. ALLEN of Illinois. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. MILLER of Nebraska. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5181) to revise the Organic Act of the Virgin Islands of the United States.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 5181, with Mr. ALLEN of Illinois in the Chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

[Mr. MILLER of Nebraska addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. SAYLOR. I thank the gentleman.

Mr. Chairman, the purpose of this bill is to revise the Organic Act of the Virgin Islands. In 1917, as the result of a treaty, the United States acquired the Virgin Islands. They were operated under the Navy until some time in 1931. During all of that time there have been a series of naval governors. These governors had been appointed by the President, and there was no local autonomy of any sort. In 1927 United States citizenship was conferred upon all the people who lived in the Virgin Islands. In 1931, by Executive order, the islands were placed under the Department of the Interior.

In 1936 Congress passed the first organic act for these islands. That act was the first attempt made by Congress to allow any local self-government. From 1936 until 1954 it has become evident that the present law has many inequities which need to be changed. One of the greatest problems which exists in the islands is that on the Island of St. Thomas and St. John the municipal council operates as the governing body. On the Island of St. Croix, 40 miles away, the municipal council occupies the same position. Those two councils by law at the present time meet as the legislature.

One of the great difficulties that has arisen down in the islands is that the legislature has remained in session constantly. This bill places very definite limitations upon the legislative body. First, we abolish the two town councils and elect a unicameral legislature. It is composed of 11 members elected for a term of 2 years. One must be from the island of St. John, 2 from the island of St. Croix, 2 from the island of St. Thomas, and 6 elected at large. In voting for the members at large each elector can vote for 4 members. The legislature is to meet annually and the mem-

Daily Digest

HIGHLIGHTS

Senate passed 59 bills on calendar call and also passed bill on fishing vessels' return.

House passed 93 miscellaneous bills.

Senate Judiciary Committee reported bill on identification of certain Communist-infiltrated organizations.

Senate

Chamber Action

Routine Proceedings, pages 9216-9223

Bills Introduced: 3 bills were introduced, as follows:
S. 3705 to S. 3707. Page 9218

Bills Reported: Reports were made as follows:

S. 3706, to amend the Subversive Activities Control Act of 1950 to provide for the determination of the identity of certain Communist-infiltrated organizations (S. Rept. 1709); and

S. 120, 231, 232, 808, 810, 1212, 2387, 2510, 2542, 2635, 2798, 2958, 3306; H. R. 733, 734, 944, 1115, 1762, 2899, 3333, 3624, 6650, 6998, 7500, 7802; S. 328, 771, 966, 2456, 2504, 2512, 2587, 3085, 673, and H. R. 1673; private bills (S. Repts. 1710 to 1744, inclusive). Pages 9217-9218

Bill Referred: One House-passed bill was referred to appropriate committee. Page 9218

Amazon Creek, Oreg.: Review of report of Chief of Engineers, Department of Army, on Amazon Creek, Oreg., together with accompanying papers and illustrations, was ordered to be printed as S. Doc. 130. Pages 9218-9219

Call of Calendar: On call of calendar, 59 measures, of which 31 were private, were passed as follows:

Without amendment and cleared for President:

Texas land: H. R. 7913, to convey by quitclaim deed certain land to the State of Texas;

Florida land: H. R. 9340, authorizing transfer of certain land in Camp Blanding to State of Florida;

Narcotic violations: H. R. 8538, to provide for the revocation of or denial of merchant marine documents to persons involved in certain narcotics violations;

Alaska public works: H. R. 2683, to extend authority to the Secretary of the Interior to provide public works and enter into agreements with applicants under the Alaska Public Works Act of 1950;

Colorado land: H. R. 5620, relating to issuance of certain land patents in Colorado;

Private bills: 17 private bills, H. R. 7146, 1948, 2404, 2406, 2427, 2875, 2907, 3903, 4510, 4747, 5265, 5355, 5684, 5820, 5842, 6478, and 6636.

With amendment, to be sent back to House:

Foster Creek project: H. R. 4854, relating to Foster Creek reclamation project in Washington (Committee on Interior and Insular Affairs was discharged from further consideration of this bill, and it was then passed as amended by substituting for its text language of S. 446, a similar bill);

Pesticides: H. R. 7125, to amend the Federal Food, Drug, and Cosmetic Act with respect to residues of pesticide chemicals in or on raw agricultural commodities;

Defense plants: H. R. 9005, to continue the effectiveness of the act of July 17, 1953, relative to expediting defense production through the construction of defense plants by the Government;

Foreign carriers: H. R. 7468, to amend the Interstate Commerce Act to regulate foreign motor carriers while in the U. S.;

Shoshone irrigation: H. R. 6893, to restore to the Shoshone Irrigation District the share of the net revenues from the Shoshone powerplant to which it is entitled under its contract with the U. S.;

Veterans' dental treatment: H. R. 6412, outpatient dental treatment for certain veterans;

Historical ships: H. R. 8247, providing for the restoration and maintenance of the U. S. S. *Constitution*, and authorizing the disposition of the U. S. S. *Constellation*, *Hartford*, and *Olympia*;

Private bill: One private bill, H. R. 5578.

Without amendment and cleared for House:

Official seal: S. Con. Res. 85, authorizing the Speaker and President pro tempore to adopt and use an official seal of their respective offices;

TVA properties: S. J. Res. 170, embodying the provisions of S. Con. Res. 44, approval of conveyance of certain public-use terminal properties by the TVA;

Savings deposits: S. 3284, to provide for the deposit of savings of enlisted personnel of all the services;

Reenlistment bonuses: S. 3539, to amend the Career Compensation Act to provide for the computation of reenlistment bonuses for members of the uniformed services;

Enslaved people: S. J. Res. 169, authorizing the President to proclaim first Sunday of each month for 12 months for prayer for people enslaved behind Iron Curtain;

John Marshall: S. J. Res. 149, John Marshall Bicentennial Month;

Private bills: 9 private bills, S. Con. Res. 92, S. 738, 2287, 2338, 2363, 2607, 3145, 3433, and 3514.

With amendment and cleared for House:

Klamath Indians: S. 2745, to provide for termination of Federal supervision over property of Klamath Tribe of Indians of Oregon;

Ute Indians: S. 3532, distribution of assets of Ute Tribe of Uintah and Ouray Reservation in Utah;

Assistant Secretaries: S. 3466, to provide for two additional Assistant Secretaries each for the Army, Navy, and Air Force;

Life preservers: S. 1763, to amend the Revised Statutes relating to life preservers for river steamers;

Carrier contracts: S. 906, to establish the finality of contracts between the Government and common carriers of passengers and freight subject to the Interstate Commerce Act;

Alexander Hamilton: S. J. Res. 140, celebration of 200th anniversary of birth of Alexander Hamilton;

Foreign agents: S. 37, to amend the Foreign Agents Registration Act of 1938;

Woodrow Wilson: S. J. Res. 147, to establish the Woodrow Wilson Centennial Celebration Commission;

Deschutes irrigation: S. 2864, to approve an amendatory repayment contract negotiated with the North Unit Irrigation District, and to authorize construction of Haystack Reservoir on the Deschutes Federal reclamation project;

Private bills: Four private bills, S. 1074, 2295, 2448, and 1512.

Resolution adopted with amendment:

Technical assistance program: S. Res. 214, authorizing Committee on Foreign Relations to make a full and complete study of technical assistance and related programs authorized by the terms of P. L. 535, 81st Congress.

Pages 9223-9250

Bills Indefinitely Postponed: On call of calendar, S. 446 and S. J. Res. 152 were indefinitely postponed.

Pages 9223-9224, 9247

Welfare and Pension Funds: S. Res. 270, amending S. Res. 225, which authorized an investigation of employee welfare and pension funds, was, during call of calendar, referred by unanimous consent to Committee on Rules and Administration.

Page 9248

Armed Forces Indebtedness: Senate concurred in House amendment to S. 2728, to authorize the collection of indebtedness of military and civilian personnel resulting from erroneous payments. This action cleared the bill for the White House.

Page 9250

Fishing Vessels: Senate passed without amendment S. J. Res. 67, to repeal certain World War II laws relating to return of fishing vessels.

Page 9263

Vocational Rehabilitation: Senate began consideration of S. 2759, to promote and assist in the extension and improvement of vocational rehabilitation services.

Page 9263

Conferees—Santa Margarita River and Virgin Islands: Senator Watkins was appointed in lieu of Senator Butler (Nebraska), deceased, as a conferee on H. R. 5731, to authorize construction, operation, and maintenance of certain facilities to provide water for irrigation and domestic use from the Santa Margarita River, Calif., and Senator Kuchel was appointed in lieu of Senator Butler (Nebraska), deceased, as a conferee on S. 3378, to revise the organic act of the Virgin Islands.

Page 9218

Program for Wednesday: Senate recessed at 4:58 p. m. until noon Wednesday, July 7, when it will continue on S. 2759, vocational rehabilitation, to be followed by H. R. 5173, Employment Security Administrative Financing Act.

Committee Meetings

(Committees not listed did not meet)

SOCIAL SECURITY

Committee on Finance: Committee continued its hearings on H. R. 9366, providing for expanded coverage and an improved old-age and survivors insurance program, with testimony, as indicated, from the following witnesses:

Dr. F. J. L. Blasingame, American Medical Association, who strongly opposed compulsory coverage of physicians, and recommended, in lieu of freezing OASI credits for the totally disabled, the use of the 5 or 10 best years of covered employment in computing benefits, with an allowance in the form of increment years for each year of gainful employment;

Dr. J. Claude Ernest, American Dental Association, accompanied by Francis J. Garvey, who opposed compulsory coverage of dentists;

Paul H. Robbins, National Society of Professional Engineers, who opposed compulsory coverage of professional engineers;

Dr. Chester D. Swope, American Osteopathic Association, who favored coverage only on an individual elective basis;

Harry C. Lamberton, National Lawyers Guild, who favored extension of coverage to lawyers;

under hearing procedures prescribed by the Administrative Procedure Act, as amended.

Testimony presented at the subcommittee hearing by the representative of the Coast Guard was to the effect that "in the last few years it has become evident that a large number of convicted addicts and/or traffickers are now able to serve in the United States Merchant Marine to the detriment of shipboard safety, morale and discipline because (presently) we are unable to proceed against them for narcotics offenses ashore."

The interest of the Bureau of Narcotics in the bill, its witness stated, is the prevention of the smuggling of narcotics drugs into the country. Most of this smuggling, he testified, is done by merchant seamen of all nations. "Narcotics offenders are notorious as repeaters," he declared. "A person who has been convicted of a narcotics offense or who has been addicted to narcotics drugs is a definite hazard insofar as the smuggling of narcotics is concerned."

Support of this legislation was expressed by the Conference of American Maritime Unions, the American Legion, and the National Women's Christian Temperance Unions.

CELEBRATION OF THE 200TH ANNIVERSARY OF THE BIRTH OF ALEXANDER HAMILTON

The Senate resumed the consideration of the joint resolution (S. J. Res. 140) to establish a commission for the celebration of the 200th anniversary of the birth of Alexander Hamilton.

The PRESIDING OFFICER. The question is on agreeing to the amendments offered by the Senator from Florida [Mr. SMATHERS].

Mr. SMATHERS. Mr. President, I withdraw the amendment which I offered to page 2, line 16, but insist on the amendment on page 3, changing the date from 1959 to 1958.

Mr. MUNDT. That is perfectly satisfactory, and I appreciate it.

Mr. HENDRICKSON. Mr. President, was the amendment which I offered agreed to?

The PRESIDING OFFICER. It was. The question is on agreeing to the amendment offered by the Senator from Florida [Mr. SMATHERS], on page 3, line 7, to change "1959" to "1958."

The amendment was agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That there is hereby established a commission to be known as the "Alexander Hamilton Bicentennial Commission" (hereinafter referred to as the "Commission") which shall be composed of 19 Commissioners as follows: The President of the United States, the President of the Senate, and the Speaker of the House of Representatives, all ex officio; and 8 persons to be appointed by the President of the United States, 4 Senators to be appointed by the President of the Senate, and 4 Representatives to be appointed by the Speaker of the House of Representatives.

SEC. 2. It shall be the duty of the Commission to prepare plans and a program for signaling the 200th anniversary of the birth of Alexander Hamilton. In preparing such plans and program the Commission shall give due consideration to any plan or plans which may be submitted to it, and to take such steps as may be necessary to coordinate and correlate its plans with those prepared by State or civic bodies. If the participation of other nations in the com-

memoration is deemed advisable, the Commission may communicate to that end with the governments of such nations through the State Department.

SEC. 3. The Commission shall select a Chairman and a Vice Chairman from among its members, and may employ, without regard to the civil-service laws or the Classification Act of 1949, such employees as may be necessary in carrying out its functions.

SEC. 4. The Commissioners shall serve without compensation, but may be reimbursed for expenses incurred by them in carrying out the duties of the Commission.

SEC. 5. When the Commission has approved a plan of celebration, it shall submit it, insofar as it relates to the fine arts, to the Commission of Fine Arts for its approval.

SEC. 6. The Commission shall, on or before March 1, 1955, make a report to the Congress in order that further enabling legislation may be enacted.

SEC. 7. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this joint resolution.

SEC. 8. The Commission shall expire upon the completion of its duties, but in no event later than January 11, 1958.

WOODROW WILSON CENTENNIAL CELEBRATION COMMISSION

The Senate resumed the consideration of the joint resolution (S. J. Res. 147) to establish the Woodrow Wilson Centennial Celebration Commission, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendments offered by the Senator from Florida [Mr. SMATHERS].

Mr. SMATHERS. Mr. President, I withdraw the amendment on page 3, lines 5 and 6, but insist on the amendment on page 3, lines 14 through 16, and the amendment on page 4.

The PRESIDING OFFICER. The first amendment of the Senator from Florida is withdrawn. The remaining amendments will be stated.

The LEGISLATIVE CLERK. In section 4 (a), after the word "may", in line 14, it is proposed to strike out down to and including the word "agencies", in line 16, and on page 4, following line 17, it is proposed to add a new section, as follows:

SEC. 6. The Commission shall expire on June 30, 1957.

The PRESIDING OFFICER. The question is on agreeing to the amendments offered by the Senator from Florida.

The amendments were agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That (a) there is hereby established a Commission to be known as the "Woodrow Wilson Centennial Celebration Commission" (hereinafter referred to as the "Commission") which shall be composed of 11 members as follows:

(1) two members who shall be Members of the Senate, to be appointed by the President of the Senate;

(2) one member who shall be a Member of the House of Representatives, to be appointed by the Speaker of the House of Representatives;

(3) one member from the Department of the Interior who shall be the Director of the National Park Service, or his representative, and who shall serve as executive officer of the Commission; and

(4) seven members to be appointed by the President, of whom three members shall be appointed upon the recommendation of the Governor of Virginia, two members shall be appointed upon the recommendation of the Woodrow Wilson Birthplace Foundation, Incorporated, and two members shall be appointed upon the recommendation of the Woodrow Wilson Foundation.

(b) The President shall, at the time of appointment, designate one of the members appointed by him to serve as chairman. The members of the Commission shall receive no salary but shall be reimbursed for their actual and necessary traveling and subsistence expenses incurred in the discharge of their duties.

SEC. 2. The functions of the Commission shall be to develop and to execute suitable plans for the celebration, in 1956, of the 100th anniversary of the birth of Woodrow Wilson in Staunton, Va. In carrying out these functions the Commission is authorized to cooperate with and to assist the Commission established by the State of Virginia to plan a centennial celebration in 1953, of the birth of Woodrow Wilson, and to invite all the people of the United States to join therein.

SEC. 3. The Commission may employ, without regard to civil-service laws or the Classification Act of 1949, such employees as may be necessary in carrying out its functions.

SEC. 4. (a) The Commission is authorized to accept donations of money, property, or personal services; to cooperate with patriotic and historical societies and with institutions of learning; and to call upon other Federal departments or agencies for their advice and assistance in carrying out the purposes of this resolution. The Commission, to such extent as it finds to be necessary, may procure supplies, services, and property and make contracts, and may exercise those powers that are necessary to enable it to carry out efficiently and in the public interest the purposes of this resolution.

(b) Expenditures of the Commission shall be paid by the executive officer of the Commission, who shall keep complete records of such expenditures and who shall account also for all funds received by the Commission. A report of the activities of the Commission, including an accounting of funds received and expended, shall be furnished by the Commission to the Congress within 1 year following the celebration as prescribed by this resolution. The Commission shall terminate upon submission of its report to the Congress.

(c) Any property acquired by the Commission remaining upon termination of the celebration may be used by the Secretary of the Interior for purposes of the National Park System or may be disposed of as surplus property. The net revenues, after payment of Commission expenses, derived from Commission activities, shall be deposited in the Treasury of the United States.

SEC. 5. There is hereby authorized to be appropriated not to exceed \$10,000 for travel expenses of the members of the Commission and for other expenses that may be incurred in developing suitable plans provided for herein, and there are authorized to be appropriated such sums as may be necessary to carry out the purposes of this resolution in accordance with such plans.

SEC. 6. The Commission shall expire on June 30, 1957.

Mr. HENDRICKSON. Mr. President, does the Senator from Maryland have a copy of the joint resolution before him?

Mr. BUTLER. I have.

Mr. HENDRICKSON. This language is used, beginning in line 13, on page 3:

The Commission, to such extent as it finds to be necessary, may, without regard to the

laws and procedures applicable to Federal agencies, procure supplies, services, and property and make contracts, and may exercise those powers that are necessary to enable it to carry out efficiently and in the public interest the purposes of this resolution.

Is not this language inconsistent with the laws concerning procurements through General Services Administration?

Mr. BUTLER. Let me first ask the Senator from Florida [Mr. SMATHERS] a question. Did the amendment of the Senator from Florida affect the wording now referred to by the Senator from New Jersey?

Mr. SMATHERS. I withdrew my amendment on page 3, lines 5 and 6. The amendment I first offered would have stricken out the words "without regard to civil-service laws or the Classification Act of 1949." I withdrew the amendment, so that language is still in the joint resolution.

Mr. BUTLER. That is correct.

Mr. HENDRICKSON. How about section 4?

Mr. SMATHERS. I insisted upon my amendment on page 3, lines 14 to 16, striking out the language "without regard to the laws and procedures applicable to Federal agencies."

Mr. BUTLER. That answers the Senator's question.

Mr. HENDRICKSON. I thank the Senator very much.

RESTORATION OF U. S. S. "CONSTITUTION" AND DISPOSITION OF CERTAIN NAVAL VESSELS

The bill (H. R. 8247) to provide for the restoration and maintenance of the U. S. S. *Constitution* and to authorize the disposition of the U. S. S. *Constellation*, U. S. S. *Hartford*, U. S. S. *Olympia*, and U. S. S. *Oregon*, and for other purposes, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Armed Services with amendments, on page 3, line 5, after the word "in", to strike out "subsection" and insert "subsections 2 (c) and 3 (c)"; in line 18, after the word "vessel", to strike out "and the Secretary of the Navy may dispose of it in the manner he would if the application had not been received"; on page 5, line 8, after the word "specified", to strike out "in subsection 4 (a) and"; in line 10, after the word "hereof", to strike out "in his discretion, by sale or by scrapping"; in line 12, after the word "Secretary", to insert "Any such vessel may be disposed of by sale or by scrapping, in the discretion of the Secretary", and at the beginning of line 22, to strike out "*Constellation, Hartford, Olympia,*" and insert "*Olympia.*"

Mr. HENDRICKSON. Mr. President, I will say to the distinguished Senator from Washington [Mr. MAGNUSON] that if he will permit the bill to pass as reported by the Senate committee, it will accomplish his purpose.

Mr. BUTLER. Mr. President, I am very much interested in this bill. I appeared before the House committee and recommended passage of the bill. The *Constellation*, as Senators know, was built in the port of Baltimore. It was launched in 1797, I believe. Her first crew was recruited from Baltimore City, and our city will be extremely proud to get her back.

Mr. HENDRICKSON. It was because of the *Constellation*, and the fact that she is being returned to her home city of Baltimore, that the junior Senator from New Jersey supported the bill wholeheartedly in the committee, and now supports it on the floor. That was one of the reasons.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. MORSE subsequently said: Mr. President, while I was called off the floor this afternoon for an interview with a constituent in the reception hall, Calendar No. 1717 (H. R. 8247) to provide for the restoration and maintenance of the U. S. S. *Constitution* and to authorize the disposition of the U. S. S. *Hartford*, U. S. S. *Olympia*, and the U. S. S. *Oregon*, and for other purposes, was called.

I ask unanimous consent that there be printed in the body of the RECORD at this point in the discussion a brief statement I had prepared for presentation at that time.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MORSE ON THE BILL TO PROVIDE FOR RESTORATION AND MAINTENANCE OF THE U. S. S. "CONSTITUTION" AND TO AUTHORIZE THE DISPOSITION OF THE U. S. S. "CONSTELLATION," U. S. S. "HARTFORD," U. S. S. "OLYMPIA," AND THE U. S. S. "OREGON"

FACTS ABOUT U. S. S. "OREGON"

1. Battleship—built at San Francisco—placed in commission in 1896.
2. After commission served in Pacific and with the North Atlantic Squadron in operations against Spanish in Santiago Harbor.
3. Cooperated with Army during Philippine Insurrection.
4. Marines from U. S. S. *Oregon* joined relief force sent to Peking during the Boxer Rebellion in 1900.
5. Last duty was as the reviewing ship for President Woodrow Wilson during the arrival of the Pacific Fleet at Seattle after World War I.
6. Is presently located at Guam, stripped of superstructure.

Bill directs Navy Department to retain title and custody of, and to maintain ship for a period of 6 months, during which period state or other political subdivision, or nonprofitmaking associations may apply for donation of ship as restoration as a public memorial.

Transfer authorized if Secretary of Navy satisfied transferee will maintain vessel in good condition and at no expense to United States.

If no request for donation within 1 year, Secretary of Navy authorized to dispose of

vessel by sale or scrapping. Any parts of historical interest may then be removed (prior to sale) and loaned or donated to historical or educational institutions or sold as relics, souvenirs, or memorials.

The PRESIDING OFFICER. That completes the call of the calendar.

COLLECTION OF CERTAIN INDEBTEDNESS OF MILITARY AND CIVILIAN PERSONNEL

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 2728) to authorize the collection of indebtedness of military and civilian personnel resulting from erroneous payments, and for other purposes, which was, on page 3, lines 1 and 2, strike out "Secretary of the Treasury" and insert "Director of the Bureau of the Budget."

Mr. CARLSON. Mr. President, I move that the Senate concur in the House amendment.

Mr. KNOWLAND. Mr. President, will the Senator yield for a question?

Mr. CARLSON. I yield.

Mr. KNOWLAND. Is this a bill with respect to which there was an amendment from the House which the Senator from Kansas took up at noon with both the minority leader and myself, the amendment being a change to the Director of the Budget from some other officer of the Government?

Mr. CARLSON. I discussed this bill this morning with the majority leader, the minority leader, and also the Senator from Oklahoma [Mr. MONRONEY], a member of the committee. We agreed upon the change from "Secretary of the Treasury," to "Director of the Bureau of the Budget."

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kansas.

The motion was agreed to.

LEGISLATIVE PROGRAM

Mr. HILL obtained the floor.

Mr. KNOWLAND. Mr. President, will the Senator from Alabama yield to me, without his losing the right to the floor, in order to permit me to make an announcement regarding the legislative program?

Mr. HILL. I yield with that understanding.

Mr. KNOWLAND. For the information of the Senate, when the distinguished Senator from Alabama has concluded his remarks, the unfinished business before the Senate will be Calendar 166, Senate Joint Resolution 67, to repeal certain World War II laws relating to return of fishing vessels, and for other purposes.

It is proposed to follow action on the joint resolution by consideration of Calendar 1659, Senate Joint Resolution 161, to authorize the Secretary of Commerce to sell certain war-built passenger-cargo vessels, and for other purposes, as to which prior notice has been given.

When action has been completed on House Joint Resolution 161, which it is hoped will be today, it is then proposed,

Public Law 497 - 83d Congress
Chapter 509 - 2d Session
S. 2728

AN ACT

To authorize the collection of indebtedness of military and civilian personnel resulting from erroneous payments, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, when it is determined by the Secretary of the department concerned or the head of the agency or independent establishment concerned, or one of their designees, that an employee of the United States or any member of the Army, Navy, Air Force, Marine Corps, or Coast Guard, or a reserve component thereof, is indebted to the United States as the result of any erroneous payment made by the department, agency, or independent establishment concerned to or on behalf of any such person, the amount of the indebtedness may be collected in monthly installments, or at officially established regular pay period intervals, by deduction in reasonable amounts from the current pay account of such person. The deductions may be made only from basic compensation, basic pay, special pay, and incentive pay, retired pay, retainer pay, or in the case of persons not entitled to basic pay, other authorized pay. Collection shall be effected over a period not greater than the anticipated period of active duty or period of employment, as the case may be. The amount deducted for any period shall not exceed an amount equal to two-thirds of the pay from which the deduction is made, unless the deduction of a greater amount is necessary to effect collection within the period or anticipated period of active duty or employment. If such individual retires, resigns, or his employment or period of active duty is otherwise terminated before such adjustment has been completed, adjustment shall be made by decreasing subsequent payments, of whatever nature, due such person by the department, agency, or independent establishment concerned. Nothing in this section shall modify any existing law which provides for forfeiture of pay or allowances.

U. S. and Armed Forces employees. Salary deduction for erroneous payment.

68 Stat. 482.

68 Stat. 483.

SEC. 2. Each Secretary of a department, or head of an agency or independent establishment, as appropriate, shall prescribe regulations to carry out the purposes of this Act. Such regulations shall be approved by the Director of the Bureau of the Budget. Regulations prescribed by the Secretaries of the Army, Navy, and Air Force shall be uniform for the military services insofar as practicable.

Regulations.

SEC. 3. (a) In accordance with settlement procedures prescribed by the Comptroller General of the United States, the Secretary of the department concerned or the head of the agency or independent establishment concerned is authorized to charge the net amount of the unpaid and overpaid balances occurring in individual pay accounts against the appropriation for the fiscal year in which the balances occurred, and from which the amount was payable, and the net amount shall be credited to and paid from the corresponding appropriation for the next succeeding fiscal year.

Unpaid and overpaid balances.

(b) The Act of February 9, 1946 (ch. 2, 60 Stat. 3) is repealed.

Repeal.

31 USC 634a.

All 68 Stat. 483.

SEC. 4. Nothing contained in this Act shall be construed as repealing, amending, or modifying in any way the provisions of the Act of May 22, 1928 (ch. 676, 45 Stat. 698).

10 USC 875a.

Approved July 15, 1954.

